

WHAT
NEXT FOR
THE PLO?

CANADA'S WEEKLY NEWS MAGAZINE

Maclean's

JULY 19, 1982

\$1.00

Special effects:
filmdom's newest stars





CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

R.I.N. IN FRONT OF THE MAG

COVER

Filmfest's newest stars

Amid a summer of economic bad news, the magic of special effects has given the film industry a blockbuster season. And in the forefront is Disney Studios' \$21-million computer extravaganza, *Titanic*, which fills the screen with some of the most dazzling and innovative images ever seen. Move over, Paul Newman. Here come the real stars. —Page 40

COVER STORY BY TONY COOPER AND JONATHAN DODD



Search for a solution

After five weeks of bloody fighting, a solution to the war in Lebanon layed down partly because some of the principal players refuse to speak to one another. —Page 14



More sweat and tears

It was a week of anxious discussion at last among the three partners in the nation's economy, as business and labor leaders jammed to and fro in Ottawa. —Page 6



MS breakthroughs

Multiple sclerosis researchers are heartened by new diagnostic tools and clues to the mysterious disease that afflicts men and women in their prime of life. —Page 32

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The princess' new clothes

She may be known as Princess Stephanie of Monaco, but in the Yukon last week Anne was friendly and relaxed in blue jeans, hoodies and black rubber boots. —Page 26

DISCOVER...

Peter Jackson

Extra Light

25 Cigarettes - King Size

Extra Light Peter Jackson

Warning: Health and Welfare Canada advises that danger to health increases with amount smoked - avoid inhaling.
Average per cigarette: King Size 7mg "tar" 0.7mg nicotine

Weekend July 19, 1992

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Paul J. Newman

Executive Editor

Deputy Editor

Managing Editor

Senior Editor

Editorial Assistant

Production Editor

Advertising Manager

Subscription Manager

Business Development

Marketing Coordinator

Finance Manager

Human Resources

Legal Counsel

Public Relations

IT Support

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Telecommunications

Accounting

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Medical

Education

Government

Non-Profit

Healthcare

Energy

Environment

Transportation

Construction

Manufacturing

Retail

Food Service

Hotel & Restaurant

Travel

Education

Government

Non-Profit

Healthcare

Energy

Environment

Transportation

Construction

Manufacturing

Retail

Food Service

Hotel & Restaurant

Travel

EDITORIAL By Peter C. Newman



Days of wine and vinegar: danger in the new recession

Slowly the realisation is sinking in this is not just another recession, not simply another downturn in Canada's business cycle.

Some of the differences are obvious. The slowdown in economic activity, which has been considered the standard cure for inflation, isn't working. If a recession this deep is unable to slow the inflation rate, something is very wrong indeed. What this probably means is that even should we have a mild business resurgence, it will soon flatten out.

The problem has moved beyond economics. None of the solutions traditionally advocated by economists seems to apply. As John Kenneth Galbraith told *The Financier* just recently, "Economic malice predilections not because they knew, but because they're naked."

Recessions are recognized economic phenomena, and one of their dominant characteristics is that almost as soon as they start, self-correcting mechanisms are triggered off that bring the economy back to life. As inventories are cleared out, for example, industrial production resumes and those who were laid off go back to work. Inventories here gone down, but, instead of the expected recovery, the economy continues to plummet. Obviously, we are experiencing something very different from the five recessions that have plagued Canada since the Second World War.

That does not—at least not yet—mean that we are in a depression. Depressions are mammoth phenomena, like forest fires that feed on themselves and give birth to life-destroying forces. (Statistics from the Great Depression of the 1930s make frightening reading: one employment reached 25 per cent by 1933, the price of wheat dropped from \$1.60 to 38 cents a bushel, the national income sank by 50 per cent between 1929 and 1933.)

Lake doctors who no longer treat babies plague, economists have no cures for depressions. There have been eight severe economic declines in North America since 1890, and they have all either blown themselves out over time or the economy has been artificially rescued by preparations for war. A heedless generation has grown to maturity thinking that boom times are normal times. In the past three decades the financial geography of the country has been irrevocably altered, and with it the character and quality of Canadian life.

As the economic situation continues to deteriorate, the danger exists that Canada—and most other industrialized nations—will have to face the possibility of social disorder. Citizens raised in the relative luxury of a standard of living that has been growing through most of three decades cannot deal with varnished financial severity and the death of personal dreams. The middle class is every society's anchor and conscience. If measures are not taken soon to help it survive, the economic system that has nurtured us so well will be threatened with extinction.

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Saving the world

Time is running out fast. In the words of Jonathan Schell, author of *The Fate of the Earth*, "The choices . . . consist now of peace, in the one hand, and annihilation on the other." It is with that sense of urgency that the nuclear disarmament movement (The Global Peace Crusade, Cover, June 20), which has now hit with such dramatic impact upon North America, shows, will demonstrate and demonstrate again in order to save the world from nuclear holocaust.

—MARTIN DELLO
Winipeg

I share Peter C. Newman's approval of the Independent Commission on Disarmament and Security Issues but I object to his assertion that the issue would "perpetuate the Soviet's existing nuclear missile superiority." Most experts agree that there is now a rough parity in the nuclear balance. When Ronald Reagan stated that the Soviets have "a delirious margin of superiority," his view was heavily criticized by such knowledgeable experts as James E. Schlesinger, defense secretary in the Ford administration, and Alexander Brzezinski, national security adviser to Carter.

—NIEL VILFURD
Two Mountains, Que.

Since the song *Give Peace a Chance* seems to be used as a theme for many protests, I think it's only fair that people consider what its composer, John Lennon, thought of the movement against nuclear weapons in the Playboy interview he gave shortly before his death. Lennon said: "All the



Protesters: Escalating world conflict

"movement" got it all wrong. All the money and energy spent on attacking the nuclear industry is going power to the nuclear industry. If the same energy and money was put into finding alternatives, they might get somewhere. While their minds are on the nuclear industry, there is no alternative, and what they want is unrealistic. . . . If they really want to deal with the problem, they have to take all the attention off it and onto the solution."

—ANDREW THOMPSON
London, Ont.

Bored into unconcern

While we agree with your film reviewer's contention in the June 25 issue that *Pinky* was a crushing bore and highly improbable, we feel that he should have at least made an effort to remain courteous. He stated that Chris Evert's new hair had no effect while the one played by the Soviet did not. The Soviet player did, in fact, reflect in a mirror. Remember?

—FRANK LUTHER
VANIER, Montreal

Objecting to sexual violence

Your article *No Sex Please, We're Victorians* (Canada, July 5) had a nice title but one that missed the point of the forum being raised in British Columbia by the new hard-core porn chain. "Sex-orientation's" concern is not the anti-emptiness of male and female genitalia, distasteful as that is to many, but the fact that explicit sex is coupled with extreme sexual violence, and the sexual violence itself is presented as going pleasure to all. Rape is treated as important, a common place event to be discussed with a shrug, a smile and a comment that "all women want to be raped." Is it "Victorian" to object to such stuff?

—JANE M. ANGLADE
West Vancouver

PASSAGES

EDITOR: Donald MacDonald, 68, the first leader of Ontario New Democratic Party, and 20-year veteran vice for the Toronto-area riding of York South, so that the party's new leader, Robert Rae, can run for his seat in a by-election. The NDP's first three chances refused to resign his seat, even though Rae called the practice a tradition.

EDITOR: A request from 20-year-old nursing assistant Nancy Forget that Quebec's mandatory language proficiency test be declared unconstitutional, by Quebec Superior Court Judge Pierre Proulx. Forget has been fighting the controversial Charter of the French Language, which stipulates that "all professionals" must have "an appropriate knowledge of French" to receive professional permits, since she lost her job at a medical clinic last fall.

EDITOR: Jane Vasey, 22, patient with the Downside Blues Band of London, Ont. Once described as the glue that held the group together, she took part in a Winnipeg and trained to a classical pianist before adopting her distinctive juk-banjo playing style. Even though she had been battling cancer for several years, Vasey composed and sang the lead vocal in Downside's most recent hit, *Try you to Keep her out of my life*, and to play in the band's next release, a live album.

EDITOR: ROBERT: Reform-minded Dominican Republic President Antonio Guzmán, 71, who he named the end of his four-year term. Guzmán, who died in his Santo Domingo office, was to have constitutionally transferred power to president-elect, Salvador Jorge Blanco on Aug. 30. His people have become the country's first president to step down willingly.

EDITOR: RHP: Gateway sex killer, Marjorie Andrea, 33, made a Stukelton, Sask., shopping mall, after being shot four times by a local police sergeant. Andrea was serving 25 years without parole in a maximum-security Edmonton prison where he made his second escape last March. The previous March he eluded police for five weeks. Andrea remains in prison, but stable condition.

EDITOR: Anna Baynes, 54, currently executive vice-president of Imperial Oil, as the company's president, of former Oil. She served as president of the company's U.S. parent, Exxon, but returned to Imperial in 1972.

Struggles of an ordinary hero

In the review of *A War Story* (Tribune, June 15), your reviewer accuses Anne Wheeler of attempting to castrate her father through the film. The same thought crossed my mind as I was preparing to play the role of Ken Wheeler, having met Anne only once, in the 1970s. Ken Wheeler was not a pedophile figure, not a hero in the conventional sense, but a very ordinary man. He did not choose his mistakes, as Dr. Bellamy did, one night in 1976, he repaid with patience and endurance, doing what was necessary and possible. It was relieved that the first institution Anne gave me before beginning the shoot expressed the same view.

—DAVID KERR
Saskatoon, Sask.

Far-reaching activities

On behalf of the Ukrainian Canadian Professional and Business Association of Vancouver, I would like to express thanks to the thoughtful and analytical article *Our Men's Jobs in America* (June 20, Canada, June 25). I would like, however, to clarify the status of our organization. Although incorporated as a society in 1980, we have been in existence as a nonprofit service organization since 1958 and we currently have some 75 members. Our activities and motivation extend far beyond the current human rights complaint against the use of the term "buxxy" for public purposes. —BARBARA KAMINSKI, Vancouver

Canagrex defined

I thought it was unfortunate that your article *Shattering the Aze for Canagrex* (Canada, July 5) concentrated on the criticisms that have been voiced about this proposed Crown corporation instead of looking at the positive things that it can accomplish. Canagrex can provide the crucial link between Canadian producers and foreign buyers. These who are disappointed that the Canagrex are doing so either out of unfounded suspicion of its power or of political reasons. The vast majority of people in the up-and-down business world are not. —ROBERT MARCH, Minister of Agriculture, Ottawa

Telling it like it is

Peter C. Newman's *Editorial* in the June 25 edition of *Maclean's* *Memo to Peter Trudeau* (p. 15) and *Letter to Trudeau*, was the most useful advice given

to the present Liberal government in recent years. Most Canadians have lost faith not only in Trudeau, but in his cabinet. A complete change of the Liberal cabinet is probably the minimum prerequisite for restoration of business confidence so necessary for economic stability.

—G.I. HAYT
Bedford, N.S.

Your excellent *Editorial* of June 25 and Allan Peitching's last sentence in his column of the same date ("These guys don't deserve power") reflects what I have been saying for months.

—DAVID KERR
Saskatoon, Sask.

What does tourism mean to you?

To Canadians it means over one trillion jobs

- It's 300,000 travellers from the largest 200 countries in the world.
- It's about \$100 billion in annual income, more than 20,000 operators.
- It's the industry that provides the bulk of the revenue for the private sector.

To Canada it means over \$10 billion annually

- It's a one per cent of our GNP.
- It's the largest source of foreign exchange.
- It's the largest source of foreign exchange.



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change of government. It is time to play hardball, and I take any bet on you for finally taking Moore and the boys that they have and their three strikes and now they are out. —JIM KIRBY, *West Vancouver*

Vehicles of war

Your June 21 cover story, *Israel's Right-wing Drive*, was a solid amalgamation of the various elements of the story. However, the vehicle on the cover is not a tank, as labelled. It appears to be a 130-mm self-propelled howitzer. —J.F. KIRBY, *Port Credit, Ont.*

Until proven innocent

The Rights of the Accused on Trial (June 21) underlines the need for a law to render the courts financially responsible for wrongful prosecution. All of us are susceptible to the statutory hardship, the destroyed reputation and the emotional anguish that arises from a hasty arrest devoid of consideration for the innocent party. —BENJAMIN WHITE, *Toronto*

Why, if there is absolutely no evidence against her, was nurse Susan Nelles charged in the first place? Why did it take 14 months to bring her before a preliminary hearing? If there was no



Nurse Nelles: why was she charged?

evidence against Nelles, and if "discharge" never should have been laid" against the former mayor of Langley, B.C., as you state, they should both be for improper arrest, not be compensated from the public purse. Thus, future charges might be laid with greater care. —J. PARRETT, *Vancouver*

For the Independent Fisherman

I was shocked to read the June 11 *Pacific News*, "North-West Kinds of Fish" by Alan H. Meadows, which implies that my proposal, as commissioner on Pacific Fisheries Policy, will destroy the independent fisherman and "...namely, through their first fishing—both commercial and sport—would become the privileged domain of the corporately or politically powerful." This is simply untrue. On the contrary, my preliminary report starts off from a position that, notwithstanding the need to improve the economic performance of the Pacific fisheries, "Fisheries policy leaves heavily as particular social groups and communities, and must should be designed to promote, or at least permit, the achievement of public objectives with respect to these groups and communities." Purely economic values must sometimes be compromised in deference to social considerations.

My specific recommendations are designed to improve the structure of the fishing industry and the earnings of fishermen. I have also made specific proposals to limit the control of fishing privileges by processing companies or other corporations. —PETER H. PEARSE, *Commissioner, Committee on Pacific Fisheries Policy, Vancouver*

People like Moira are one in a million.



Moira Karm is just one of the million Canadians suffering from kidney disease and associated distress.

And she's been through it all. Powerful drugs 15 years on an artificial kidney machine. Even a kidney transplant which, unfortunately, was rejected by her body.

Today, this gutsy 14-year-old's chance for survival depend upon a bag around her waist which she has to change 4 times a day. And you...

Help the Kidney Foundation find a real cure for Moira.

Give generously. For a million reasons.



Help fight kidney disease.

Give to the Kidney Foundation of Canada.

PODIUM

Why Inco must be nationalized

By Mick Lowe

Inco must be nationalized, and the sooner the better. The need is pressing not because the firm's management has squandered the immense Canadian wealth of the Sudbury, Ont., and Thompson, Man., ore bodies in its ill-advantaged subsidiaries in Guatemala, Indonesia and the United States. Nor is it because Inco's management has exercised shoddy legendary scepticism and callousness with regard to the Canadian environment and its dealing with its Canadian work force (this summer's strike at the company's Sudbury operation was the third in seven years). Inco must be nationalized for strictly economic reasons.

It may be necessary to refer this to Canada's parliament, for never before has it been threatened as it is today. As stated in *World Mineral Markets Stage II*, a report recently released by the Ontario ministry of natural resources, North American nickel production will continue to decline over the next 30 years, even though total world nickel demand should increase moderately.

The projections on world nickel production made in the report should be disregarded as ill-considered, as is the industry's debate over its past management and future development in long overdue. The sad truth is that, despite the projected increase in demand for nickel during the next decade, Inco's share of the market will continue to decline because of the nature of its competitors, most of the active nickel-producing companies tend to be in the Third World and state-owned. In times of nickel oversupply and falling prices these publicly owned producers actually maintain production, shutting profits, even operating at a state-subsidized loss, if necessary, for their governments desperately need a source of stable employment or foreign exchange, or both.

Iron, on the other hand, behaves "irresponsibly" in a downturn. It closes mines in Canada, lays off workers and cuts production in an effort to balance supply and demand and to maintain stable prices. As a result, over the past 30 years Inco has seen its share of the overall world nickel market decline drastically—from 80 per cent in the 1950s to about 30 per cent today. The firm's behavior might not be self-defeating if it could recognize some of the market share lost during its expansion in the periods of higher demand and higher prices that follow. But recent

history has shown that this is not the reality. The Third World producers have snatched nickel customers away from Canada; they keep out there.

And as a nickel cartel, spending over \$200 million in 1982 on development, is established, Inco's profitability must be the main priority for Inco management. It is forced to market nickel competitively Canadian prices, because in times of oversupply they cannot earn a high enough rate of profit to justify their continued operation. During boom periods the mines may prosper, but only because the demand is greater, not because Inco's share of that demand has grown.

It is not hard to see where this is leading our Canadian nickel industry. With falling sales to an ever-shrinking share of market, the industry is totally exposed in the boom-and-bust cycle of capital and economic, offering only occasional employment, as still-modern plants growing older and more attri-

For three generations the people of Sudbury have sweated and bled for Inco, and 117 have been killed

quoted because declining profits must be used to pay shareholders' dividends and to fund mining reclamation in Sudbury and Thompson.

On the other hand, if Inco were nationalized it could compete head-on with the state-owned producers in many ways the company would be advantageously suited for national competition since the owners of the profitability profits were removed. In Sudbury Inco boasts a work force widely regarded as one of the most hardworking and productive groups in the world in the world of hard-core mining. Offsetting Sudbury's higher wage costs is the fact that smelting costs for the sulphate ores found here are much lower than those in the Third World, where ores are more energy-intensive to smelt. In fact, at full operating capacity, Inco is the lowest-cost nickel producer in the world.

Would the hard-core, prior-shanking competition necessary to regulate Canada's best nickel market share mean taxpayers would bear the burden of millions of dollars in subsidies to a money-losing state-owned nickel com-

pany? No. Even saddled with massive losses, Inco's nickel production has shown, and after deducting the \$400-million loss of 1981, Inco still turned a \$1-billion profit (most of it earned in Sudbury and Thompson) for the past decade. How much should Inco shareholders be paid for the company's Canadian operations? With share prices up as at all-time low, the public sector could acquire 100 per cent of Inco's \$3-billion assets for a five-cent price of \$1 billion.

These arguments will argue that the nationalization of Inco would inevitably lead to the kind of mismanagement that has plagued other Crown corporations. But remember—in 1975 Inco was defunct. Since then it has turned a net profit of \$1 billion, while its corporate debt now debt now stands at \$2.1 billion. Several of the projects that the debt was incurred to finance have already been written off, at a loss of \$40 million in 1981. Could a group of thoughtful government bureaucrats have done any worse?

The final word here should go to the working people of Sudbury who have, for three generations, sweated, bled and, yes, died (117 have been killed on Inco property here since 1848) for the company. Few, if any, Canadian cities of Sudbury's size can claim to have equalled the staggering wealth that has been produced over the years by this city's residents. Yet some parts of the city's property might be too barren, some water, and there are sections of the city with no telephones. Worst of all, there are few jobs for the city's young people, who are leaving the area in droves. The problem is that Inco's profits are never paid out but are invested everywhere but in Canada—with disastrous results.

The Inco work force has a well-deserved reputation for union militancy. But one wonders what benefits its members might make, what productivity gains could result, if they were given a democratic say in a state-owned Inco, if expanded and steady employment were guaranteed and if profits were pledged to development in mining in Sudbury or at least in Canada. To be sure it will cost taxpayers to hire this particular bull, but over the long haul it is a decision that will repay our children, and our children's children, many times over.

Mick Lowe is a freelance journalist living in Sudbury, Ont.



No blood—but more sweat and tears

By Ian Anderson

Gerard Bossy used to keep framed on the walls of the Bank of Canada's executive dining room: the wiffen-bawf bank notes. Germain needed to buy a loaf of bread during the hyperinflation days of the 1930s. Last week the governor could have forgiven for passing over his key to reflect on the diners, as inflation-gone country seizes itself into The extent of the losses to inflation was driven home again to Canadians when news leaked out that the Royal Canadian Mint is considering whether or not to replace the paper dollar with a metal alloy one—valued at \$1 but with an intrinsic worth of about 15 cents—thus sending the once mighty dollar into oblivion alongside the 25-cent paper "thimble" shrank after 1955. Amid the shrill rhetoric and depressing statistics, that was perhaps the most telling evidence of how much trouble the Canadian economy is in.

It was a bewildered parade of business and labor leaders that Prime Minister Pierre Trudeau summoned to Ottawa to meet in two sessions late in the week. Given short notice of the post-

budget consultation and having no idea of the agenda, the businessmen were distinctly uneasy as they entered the Groulx cabinet room. "I wish I knew more about it than you do," muttered Finance Council Black declared. But, as labor leaders walked the next day, the businessmen emerged with a feeling that they had been lusted to—fully. Naturally enough, the employers were quick to fall in behind Ottawa's call for voluntary restraint of increases in their employees' wages to an end and five per cent over the next two years. And it was quickly clear that such an apparently one-sided sacrifice of labor was the biggest loss in the eyes of Canadian Labour Congress (CLC) President Dennis McDermott. "It's almost as though they can get the support of the business community," McDermott snorted. "The business community is not being asked to sacrifice anything. They were not asked if they would roll their salaries back."

Yet something quite extraordinary had happened over the meetings. For the first time in the more than four years ago McDermott took over the CLC leadership, he and Trudeau had sat down together. What is more, McDer-

most could say, "They did not close their ears this morning." When he went in, McDermott admitted he fully expected to be cutting within an hour after telling the prime minister "We're off in every direction." Now the two sides were talking about a second meeting. McDermott had come to the conclusion that Trudeau's position—including the government's highly contentious cutbacks in public-sector salaries—"is not what it seems." McDermott still found reasonable the government's ungleamed skepticism with inflation-fighting—particularly cutting consumer spending power while industry is in the ropes. But more important, the three parties in the nation's economy were sitting down to talk, and there was no blood flowing. "What is happening gradually is that the ball is being moved out of all of us," Trudeau said later.

It was a small patch of blue in a sky full of lightning bolts. But in a country that lost as savings of 3,000 jobs every single day in June, pushing the unemployment rate up to 10.5 per cent, a renewed sense of realism and order-making could become a blessing unaccountably only a week before B.C. Premier William Bennett also found

business and labor in a spirit to pull together when he sat the two groups down over scrambled eggs in Victoria. But Bennett's analysis has indicated a wide of affairs for more serious and long-lasting than the one Trudeau had suggested in public. "The economic picture is not good for the next five or six years, and there's some very tough sliding ahead," he said a group of provincial and provincial officials. "We need to have to take a look at the cost of government. There may be tremendous changes in whole programs."

With corporate profits expected last week to have been cut in half compared to the first six months of 1982, Federal Auditor General Kenneth Dye warned that the nation is "almost as its economic house." So pitifully has the current economic emergency become that an unemployment rate of 10.5 per cent, a result of the 3-0 legislation that the Canadian Imperial Bank of Commerce used to maintain, membership spurred a short-lived spree of lowering-like selling on the Toronto Stock Exchange. Stockholders reported that during the temporary lull of monthly there were virtually no "buy" orders for any major Canadian

stock. The worry is not merely over the state of corporate balance sheets. The normally well-placed Dye has voiced an even louder concern for the state of federal government finances and, in particular, over a deficit forecast to hit nearly \$20 billion in the current fiscal year. "The country is now providing emergency assistance to people whose mortgages exceed 80 per cent of their income," Dye said. "Well, who's going to help Canada when its interest payments get over 30 per cent?" In fact, during the federal debt is going to take that percentage of the government's revenues in the current year, and the load is projected to rise to about 35 per cent in the next.

As Trudeau tries to save the nation he lost with the New 52 budget, Terry Louder Jnr. Clark has quietly backed off from his paragon condemnation of Finance Minister Allan Rock. Bennett cannot see enough national pride to guarantee a one-day national protest over the imposition of "five and five" wage limits for public-sector wages. Clark has not received the kind of unconditional support he did after the November debate for making the government's life a misery. Trudeau may indeed be right in stating, "I think Ca-

nadians are beginning to say, well, let's set aside our quarrels for a while and see if we can pull up our socks and act like a nation for a change."

The Tories were quietly angry over the seemingly direct reaction the 30 business leaders gave Trudeau and MacLachlan. Some senior Tories were privately hoping business leaders would support the meeting, while at the same time would not be seen to have represented at the table were longtime beneficiaries of federal grant money and thus less prone to see their group's economic assistance cut back.

At the office of Terry Blair, who for the past two years they may have felt the



Shipshape: a nostalgic composite on oblation for the once mighty dollar

whipping boys of left-leaning liberalism, the business leaders seem that hard times have made the government's concerns closer to their own.

Since the last round of "sectored studies" of the Canadian economy in 1975-76, there has been no serious recession among business, labor and the particular out of the nation's economic strategy for the country. The latest labor effort at harmonizing goals comes at a time when, as McDermott pointed out, the government's map-protest strategy is effectively dead, with nearly every such project either banned, restricted, the last rise or on an official reservation waiting the miracle cure of lower interest rates. Even on the highly tested Liberalism off-shoot of New Year and there are no signs at work. While wage and price controls in 1975-76 were supposed to provide a "breathing space" to come up with common strategies, the project floundered as Trudeau turned bitter over the whittled support that business provided for the imposition of "five and five" wage limits for public-sector wages. There is no contemplation now of such a non-searching review of the economy. Instead, the government is fated to spend its time deciding on an ad hoc basis whether or not it should issue loan guarantees to such debt-ridden com-

panies as Multis Industries, a Montreal trucking firm. Liberals view that momentary decision as something of a landmark for how deeply delirious Ottawa is prepared to go. But it is itself involved in potentially expensive bailout operations. Enacted, but not less of use, was the decision last week to renege upon a loan to Footstar. They had been a guarantee for the heavily debts of the North-Shaw district, but a wave of cheaper imports resulted in a loss of Canadian jobs.

While Trudeau seems to be cornering himself in the economic debate, it has become a commonplace for Liberal MPs to talk of the death of John Turner's accession to the leadership by next spring. News of Turner's whereabouts—the Calgary Stampede this week—leaves the party in a Hollywood tabloid. In such an atmosphere it is not to be impossible for Liberals to discuss long-term economic alternatives.

With so new a star obvious in the political heavens to set their course by, Canadians may be left to wonder whether any change in leadership will get them. Probably the best response to that must have

question came last week from Agriculture Minister Eugene Whelan, who advised Canadians to make use of the devalued dollar to buy less imported food and more domestic produce. He said: "Those things that grow in the northern climate grow more slowly and it takes more time to take the nutrients out of the soil. These products are better for you than those products that grow down south very fast."

No other Trudeau minister could get away with such blather but, in its down-home manner, Whelan was trying to set out positive reasons for sending Canadians down new paths. With the renewed sense of purpose that the government is trying to bring through this crisis, the single most important political task will be to find a way to gain in everyone's interest—"national" and business—to obtain "If you don't know where you're going, you may end up somewhere else," husband-turned-Yogi Berra cautioned some years ago. Before they did it pay attention to where they were going. Canadians will find themselves spending dollars—probably mental ones—next year on things that 30 years ago cost a quarter. Probably the best reason can hope for as the recession burns its way out is that a lesson has been learned, by everyone. ☐

MacLachlan and McDermott: "What is happening gradually," Trudeau said, "is that the ball is being moved out of all of us"



A Red dean on the Rideau

Even if not exactly a hardship post, Ottawa has its drawbacks as an assignment for foreign diplomats—not least its climatic demands. One broadcaster who had a long struggle to persuade his foreign ministry at home that he needed both central heating and air conditioning in his Ottawa embassy. Nor is Canada always a place for the ambitious diplomatic careerist who would prefer the steam heat of, say, Washington or the cold glitter of Paris.

One ambassador who has endured Ottawa's travails (including winters colder than Moscow's) is the Soviet Union's ambassador to Canada, Alexander Yakovlev. After nine years at his post, the stoic and genial Yakovlev this summer becomes dean of the capital's diplomatic corps—a largely ceremonial office that goes to the incoming ambassador to the city. Showcasing Moscow's outgoing ambassador, Nourredine Hamane, Moscow's man in Ottawa thus secures a rung in the order of precedence at official functions and will speak for the diplomatic corps on such grave matters as who should be invited to a state banquet. Since the dean's duties run from the ritual to the banal, Canadian officials advise no one when that the job has fallen to him. There is, in fact, a nice symmetry to Yakovlev's new role, because Canada's former ambassador to Moscow, Robert Ford, was dean of the corps there for six years before he retired in 1980.

Although the Russian Embassy are

not the most progressive ambassadors in Ottawa, Yakovlev at 59 is well liked on the embassy circuit and commands an affection at several Affairs that might seem surprising given the tricky relations that prevail between the Soviet Union and Canada. Pierre Trudeau values what Canadian officials call Yakovlev's reassurances and readiness to tackle issues without the reflex

rhetoric that often impedes East-West discussions. Indeed, Yakovlev in private conversation sounds no more bound by ideological formulas than the U.S. ambassador, Paul Robinson. On the other hand, he may be more practiced at making a point. Before coming to Ottawa (his first diplomatic job), Yakovlev was deputy head of the department of propaganda for the Soviet Central Committee.

Among his tribulations, of course, have been periodic accusations of espionage



Ambassador Yakovlev ascending the same ladder as our man in Moscow

Aging—the growth industry

As the dimming dollar signs of Allan Maclean's new budget continued to stir furious debate over the economic state of the country, last week, Ottawa also opened the people's ledger to reveal another kind of bottom line. Early results of the 1981 census show that as a nation Canadians are over the hill and running out of either steam or desire to provide more marriages or more children. All of which sounds likely to slow the growth of the economy as the much-heralded budget.

When Statistics Canada totted up the figures of last year's new event, there were 24,043,116 of us altogether, an increase of one per cent since the last census was taken in 1976. However, the number of people over 65 had

grown by nearly three times that rate, matched by a decrease of seven per cent in children 14 and under. This growing trend has pushed the median age of Canadians to a positive record high of 29.4 years. And predictions indicate that unless the fertility rate increases, the average age will be as high as 34 by the turn of the century.

There were fewer marriages—particularly in the prime marriage bracket, at 30 to 39 years, down five per cent—while the divorce rate skyrocketed to an all-time high. Between 1976 and 1981 the number of divorced Canadians rose 60 per cent to 266,125. In fact, every 24 hours in 1981 an another 170 couples divorced their marital partners, compared to 38 casualties per day in 1969. More than half of those filing for divorce were in the 30 to 49 age group—a 71-per-cent increase in this category since 1976. As a reflection of the growing trend to separate, single parent-

hood has climbed by 28 per cent, an all-time Canadian record. Now, one in 11 families, encompassing half a million children, falls into this category. The burgeoning number of birth couples and the elderly has resulted in an unprecedented 48-per-cent increase in one per cent households. Now almost 17 million people live alone, 28 per cent of them women over the age of 65.

In releasing the census data, Jean-Jacques Blais, federal minister responsible for Statistics Canada, noted that the falling birthrate and increased divorce will have powerful repercussions on Canada's economy and social structure. "This will affect the number of schools and homes we will need to build and will have profound effects on the future labor force and on products sold in the marketplace." The aging trend also raises questions about how the old will be supported. Stud. Ed. "From earlier census data we have projected

Yakovlev will now be taking an understandably sporadic interest in the case of Vincent Black—the ambassador-designate from Czechoslovakia who has been pinged into a spy story ever before landing in Ottawa. Taryev's Don Morris stated. External Affairs last week by clearing in the Commons that Black—due to arrive within weeks—has most recently been working with "Section A, subsection 4 of the main intelligence office of the Czech ministry of the interior," which Morris said handles espionage in the Americas. Morris, himself a former Canadian ambassador in Central America, refused to disclose his sources. The Czechoslovak embassy said Black had served as interpreter at their embassy in Washington in the mid-'70s and since 1978 had been chief of the Soviet Union bureau in the foreign ministry in Prague.

External Affairs had already given provisional approval of the Black appointment after seeking the same information about his background. Officials quickly responded their inquiries as a result of the Morris claims. But they pointed out that a background in intelligence alone is no bar to an ambassadorship. One diplomat commented it would take evidence of "something like still-letting in back allies" for the government to withdraw its acceptance of Black. In Washington's case, at least two directors of the Central Intelligence Agency have held ambassadorial rank—Richard Helms in Iran and George Bush in China. In any event, as another Canadian diplomat allowed, the line between espionage and diplomacy is thin and slippery. "We all do it."

—JOHN HAY

NOVASCOTIA

Incident on Skye Mountain

Early one day last week 150 angry farmers, 100 km northwest of Sydney, climbed to the top of Cape Breton's Skye Mountain in a car caravan. There the men, women and children—nearly one-third of the reserve's total population—stood out in a field filled with tree spruce seedlings. Nova Scotia Forest Industries Ltd., of Port Elizabeth, had planted the 35 acres of softwood seedlings six years ago as part of a reforestation program, but the pulp company was now trying to spray the mountain with herbicide to destroy scrub growth and give the seedlings room to grow. The Indians claimed the spray could poison their nearby water supply—so herbicide's, chemically, they began digging the tiny trees from the ground. In no time at all the Indians had felled some 200 acres and 2,000 of the 12-to-35 cm-high seedlings.

The entire incident at Skye Mountain was over in five minutes. But that was more than long enough to convert the Nova Scotia cabinet to back away from its earlier support for an aerial herbicide spray program. Fused with Indian threats to rip out the rest of the seedlings if it didn't restrict the spray permits it had issued for the reserve area, the government quickly canceled this summer's aerial 12,000-gallon aerial spray program and reform the question of herbicide spraying to a royal commission on forestry.

The victory was far from complete, however. The government will proceed with herbicide spraying could continue, but the same pulp company may simply file new requests to spray these acres from the ground rather than from planes and helicopters. More important, the Indians insist that the government had simply reacted to political pressure rather than becoming convinced that spraying was harmful. "We will clear the land," says George Healy, Nova Scotia's pro-spraying member of lands and forests, who declared, "A whole room full of the chemicals could be needed to kill one person."

Last week's sherriff

was just the latest episode in a decade-long war of wits and wills between the government and the province's strong environmental lobby. Environmentalists opposed the previous Liberal government to ban herbicide spraying against spruce seedlings in the mid-1970s. And in 1981 new Liberal government got a court injunction to stop herbicide spraying in its area.

The Skye Mountain incident began last month when the government again issued permits to the province's three largest pulp companies to spray forest land with the controversial herbicide 2,4-D and 2,4,5-T. These have been linked in some studies with birth defects and cancer, and using them together is banned in a number of U.S. states.

While Indian spokesmen were "huddled" by the government's decision (they had already expressed the ripped-out seedlings and even offered some to Premier John Buchanan), environmentalists claimed that the battle was far from over. Elizabeth May, a spokesperson for a Cape Breton group, says she will not be satisfied until the government bans all herbicide spraying. "We'll stop this no matter what we do," says May, firmly. At least they know they have the government's attention.

—STEPHEN KIMBER in Halifax



Union of Nova Scotia Indians President Paul Desautels and uprooted seedlings: quick victory

that by the year 2031 Canada will have one grandson for every two workers. By the next year every existing baby will be needed for a person 65 and over. "There has never been a situation like this in the past," says Austere Remenick, director of demography at Statistics Canada. "By 2030 we will have a huge influx of the postwar baby boom moving into retirement age, and is the very least that will put a considerable strain on our pension fund."

And all signs indicate that the present rate of 1.5 births per woman will remain the same for some time. "We read the trend there will be an increase," says Remenick. "But it is unlikely ever to go beyond 2.5—even that would be quite a achievement." However the experts may differ in interpreting the census results, it seems certain that issues will be felt by next summer day tomorrow by the year 2000.

—JULIE VAN DEREN in Ottawa

The chaotic search for a solution

By Thomas Hopkins

The long, slow Israeli assault on the main stronghold of West Beirut almost became a stalemate last week when an Israeli officer walked into the city's water distribution center at Ashrafieh, checked a roll of blueprints and turned off the tap that furnished life-giving water to the area's half-million Lebanese and Palestinian residents. As if to emphasize his point, he pulled off the wheel used for turning on the pumping apparatus and took it with him, roused the angry Lebanese Hydroelectric Resources Minister, Mahmoud Asmar.

That action was one more escalation in the rocky standoff between the PLO and Israel following the invasion of western Lebanon last week ago. Along with a food and electricity blockade and sporadic shelling, it was designed to keep the nose chafing at the neck of thousands of severely PLO irregulars based up in the rubble along with the civilians. All that kept the nose from tightening—apart from international pressure and a certain reluctance on the part of Jerusalem to add to the still rampant anarchy suffered already—were diplomatic negotiations as chaotic as the capital's bombed-out boulevards.

The talks, which U.S. Defense Secretary Casper Weinberger described as a "13-ring circus," bogged down largely because there was no single person, since neither Israel nor the United States would speak directly to the PLO, who could talk with all the parties. Central to the outcome was a nine-point disengagement plan put forward by U.S. special envoy Philip Habib. The plan called for a symbolic pullback from West Beirut by Israeli armor. Simultaneously, PLO fighters would begin to evacuate the city for the Syrian port of Latakia and a multinational force would protect their retreat and occupy abandoned PLO positions. Israel largely accepted the

plan but balked at proposals for a token PLO political presence in Beirut and the temporary attachment of two armed PLO units to the Lebanese army. Any PLO presence in Lebanon will form the "backbone of a new center," warned Likud Knesset member Menahem Begin.

For his part, PLO Chairman Yasser Arafat eventually accepted the concept of evacuation. But he turned the idea of being escorted to Syria by the U.S. Sixth Fleet "ridiculous." Subsequent PLO demands that a multinational "buffer" force between the belligerents be in place before, not after, evacuation further muddled the waters.

As the talks proceeded, most of Israel's controlling troops kept their fire largely backlogged in the Lebanese sea. Aside from various eruptions of artillery as a succession of truces evaporated, the week ended on a note of ominous quiet. But the civilians were not so lucky. West Beirut was exposed to what Western diplomats called "terror tactics" as Jerusalem sought to harry the nose from tightening—apart from international pressure and a certain reluctance on the part of Jerusalem to add to the still rampant anarchy suffered already—were diplomatic negotiations as chaotic as the capital's bombed-out boulevards.

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and infants wailing the inhabitants to run for their lives. Some bombs from fighters streaking overhead punctuated the warnings. Food, water and electricity were only restored late in the week after Lebanese Prime Minister Shafik al-Wazzan, the conduit between Washington and the PLO, announced he would begin the talks staff services were restored. Food remained at a premium. The week's hospital—cramped with thousands of war wounded—reported they had only another week's diesel fuel to run generators needed for operating rooms and refrigeration of blood banks.

At week's end, significant elements of a withdrawal package remained to be agreed upon, including the nature and role of a multinational force and which PLO guerrillas would be required to leave. Western diplomats said the PLO had for more than 5,000 men in West Beirut, many of them malnourished and resentful. Another problem was that thousands of the guerrillas are Lebanese civilians who should, by rights, be allowed to remain.

In a surprise late complication, Syria indicated that it was not prepared to accept the main body of PLO guerrillas. The announcement was widely put down to anger, somewhere the Syrians had not been included in the disengagement, and U.S. deputy assistant secretary of state Morris Draper was dispatched to Damascus to see what diplomacy, backed by Saudi "threats" (financial help to support the guerrillas), could do. But the uncertainty only added to the confusion.

The middle in Beirut seemed to reflect a U.S. foreign policy establishment still mulling over the transition from former secretary of state Alexander Haig to presidential nominee George Shultz. Early in the week, a link on Israel radio hinted President Ronald Reagan into announcing that he was prepared to send 1,000 U.S. Marines to Beirut for 90 days to secure the



West Beirut's devastation (opposite): Israel control point. Jews around the world questioned Israel's strategy as never before.

withdrawal of PLO forces. The statement echoed President Eisenhower's dispatch of 14,000 troops to Lebanon at Beirut's request in 1958. But this time the move brought a public warning from Soviet President Leonid Brezhnev, and while Washington was inclined to minimize the threat—it retorted that Moscow had to make some gesture to the PLO—the administration was soon on the defensive over another fiery statement. Weinberger told reporters Israeli Prime Minister Menachem Begin had set a Sunday deadline for production of a PLO evacuation plan. After that, the Israeli army would be unleashed. The statement was immediately denied by all sides, including two U.S. senators who had just met with Begin.

In fact, the Israeli prime minister's need was probably concentrated on events closer to home than in Beirut. As if to underscore the connection between the Begin government's Lebanon strategy and Palestinian aspirations for self-determination, war raving had broken out on the occupied West Bank, where 25 Arab mayors signed a petition calling for an independent Palestinian state headed by the PLO. Chastising "Sharon out of Lebanon," gangs of Palestinian youths burned tires and stoned Israeli soldiers. Two Palestinians were killed when Israeli troops opened fire, bringing the number of such deaths so far this year to at least 38. Attempts to

introduce a civilian Israeli administration into the occupied areas, until recently ruled by the military, were further damaged by the dismissal of the Arab mayor of Gaza, far reflecting his opposition. He was the seventh mayor in the occupied territories to lose his job in four months.

Whether because of the defiance on the West Bank or word of belated Soviet support, trapped PLO members in Beirut last week appeared determined to win a military defeat as a propaganda victory. Certainly Jews around the world were questioning Israel's strategy as never before. While a poll in *The Jerusalem Post* showed that 33 per cent of Israelis polled backed the Begin government, newspaper letters pages in Canada, the United States and Europe have blossomed with letters on the war—many critical in tone and public statements Jews agreed upon the conduct of the Lebanon war (page 34). Noted-born World Jewish Congress President Edgar Bronfman last week was moved to call on Israel to rethink its policies as the West Bank and Gaza "made peace with the Arabs." PLO officials also argue that the talks have demonstrated once and for all the same moral crucial to the political future of the Palestinians: that as Middle East peace effort can succeed without PLO participation.

But by week's end, the only certainty in Lebanon was that the PLO—or at

least part of it—would eventually leave that shattered country, either by negotiated convey or by force of Israeli arms. Despite a rare-hour backhanded moment overnight Friday, the week in two weeks, it appeared likely Israel would allow negotiations to take their leisurely course while plotting its strategy for the next challenge: turning the factional power struggle in a new Lebanese government to its advantage.

For its part, the PLO, despite all the bravado, faced major problems. The shattering of its forces seemed to condemn it to a lengthy debate on future tactics. Given the confining force of reason and denial emanating from PLO headquarters in Beirut last week, some observers speculated whether the organization was already beginning to splinter. There were even doubts that Arafat, having struck an evacuation deal, could deliver his ragtag troops in the embankment ship. Said one Israeli official last week, "We will be optimistic when we are on their backs." Clearly the next weeks will be crucial to the PLO and the future of the four million Palestinians it represents. Beirut will show whether this fifth Arab-Israeli war in 33 years has been a breakthrough toward peace or an excuse for both sides to dig the trenches of intransigence even deeper.

West Bank's Right to Return. For Shultz in Jerusalem. Philip Habib in Tel Aviv and Morris Draper in Washington.

A land of sinking hopes

The pile of cardboard shacks loomed together with children who outside Mexico City is typical of slums that house the poor, the millions who migrate from the countryside hoping for a share in the capital's wealth. It is an episode that for months it has been hidden from view by an enormous white wall bearing the square-jawed, resolute image of Miguel de Madrid, heir apparent of the ruling Institutional Revolutionary Party (PRI).

De la Madrid's landslide presidential election victory last week came as no surprise. "The people don't even know what politics are," complained Sergio González, a 21-year-old laborer, as he surveyed the show. "They just vote for the PRI because it's going to win, whether they support it or not." But the PRI is subject to ever increasing criticism over a wide range of issues: its lack of commitment to democracy, its handling of the economy, its inability to feed and house the poor, and its corruption. Surprisingly, for a government whose public stance is broad support for Central America's struggling opponents of military dictatorship, its human rights record is also being questioned.

The PRI, under one name or another, has dominated Mexican political life ever since the 1916 revolution, winning every national election since 1929. In 1976 José López Portillo ran for the presidency against that abstention reached 68 per cent, reflecting a growing disillusionment with the one-party system, and leading López Portillo to institute a code of electoral reform. That year de la Madrid, López Portillo's handpicked successor, faced opponents from six different parties, ranging from the anarchists to an coalition of left-wing systems, Trotskyites and human rights activists. But none of the six, some newly legislated and others dependent on federal funding, represented a serious challenge to the PRI, which spent between \$200 million and \$300 million in its campaign.

One of the secrets of the PRI's longevity has been its aggressive wooing of a populace that has made up of peasants, labor and professionals. The PRI's labor wing was disappointed with the selection of de la Madrid, a 57-year-old liberal-educated management specialist. It dis-

missed him as a "technocrat" and predicted that he will favor the business community. But de la Madrid will need all of his managerial skills to address the country's economic crisis.

Over the past few decades a managerial off boom has transformed the Mexican economy. But past PRI administrations have borrowed heavily against future oil wealth, leaving their bequest on steadily increasing world



Slums of Mexico City show the PRI's lack of shame

prices. Instead, prices have dropped, leaving the country with rising expectations, falling revenues and a giant foreign debt. Inflation is more than 60 per cent. The Mexican peso underwent a major devaluation in February, and another is expected in August. "At \$64 billion, the external public debt is the highest in Mexican history," says Francisco Galviera, 52, head of the Economic Studies Center in Mexico City.

Despite vast increases in public spending, Mexico's oil riches have failed to trickle down to the urban slums or the depressed countryside. "The country has to give everyone something to eat," commented Luis Flores, a police chief with 22 years in the service

"When is the government going to worry about the peasant working the land? It's not a lack of resources, it's a lack of desire." Many Mexicans say the PRI's notorious corruption is to blame. Payoffs and bribes are an accepted way of life, ranging from a few pesos to a traffic cop to the millions that line the pockets of the highest officials. "Before the devaluation, a group of López Portillo's associates went out and bought dollars," stated Cruz Garza, another Mexico City policeman. "How did they come in advance?" This country is drowning in corruption.

De la Madrid promised to battle the disease in his campaign speeches. But some observers expect him to follow López Portillo's precedent, allowing a few highly publicized loans to roll his leaving the system intact. "There are tens of thousands of bureaucrats," explained Guillermo Vega, an officer at the Agricultural Credit Bank, fatalistically. "You can't fire the whole government."

Although Mexico City serves as world headquarters for "ex-Internos revolucionarios," the Mexican government's charity toward Central American opposition groups certainly dates back to the PRI's beginning at home. Elected Guatemalan and Salvadoran leaders say that members of their communities have undergone torture at the hands of the Mexican authorities. Others have disappeared, sometimes with the help of security personnel from their countries of origin. There are sporadic reports too, of guerrilla groups near the Guatemalan border.

The PRI's best resource against popular rebellion is the lack of an organized opposition. The new parties so far have failed the tests to build a movement and the money to buy. Several were dismantled by according to de la Madrid's constitution, and both the left and right are badly divided. In addition, the authorities can act tough when necessary. In the past month three student activists are reported to have disappeared from the regional university in Cuernavaca state.

The 35,000-man army, one of the traditional bases of power, has been watching the PRI's feeble performance with concern. Apparently, by preserving the PRI for a stronger voice in foreign policy. Unless de la Madrid succeeds in taming the economy and settling the causes of social unrest, Mexico's legendary (for Latin America) stability may not last much longer.

—ANSA NEWSLINE to Mexico City



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The rebel the Soviets fear

He is known as the Chi Gharan, of Afghanistan—a legendary warrior who dropped out of retirement in order to organize resistance in his native Pungur Valley after the Soviet invasion in 1979. Since then the 29-year-old Ahmed Shah Massoud has successfully driven four Soviet attempts to drive his guerrillas from the valley. And last week came news that he may have his greatest victory to date, defeating the largest of a series of Soviet spring assaults aimed at destroying Afghanistan's increasingly well-armed, but scattered, rebel groups.

The news came after earlier reports that several Afghan government and Soviet divisions had succeeded in capturing rebel positions in the valley, thereby destroying the bulk of Massoud's army. There were even claims that Massoud himself had been killed or captured, ending a pull over hopes for the survival of the remnants of Afghan resistance. But evidence from eyewitnesses of the Pungur fighting, together with interviews with captured Afghan government soldiers and dispatches about Massoud by contacts in Peshawar, across the border in Pakistan, shows that Massoud's occupation army may have suffered the largest defeat yet in its 20-month anti-Soviet campaign.

The initial Soviet attack, it seems, was planned for April 28, the day after the fourth anniversary of the coup that brought the pro-Soviet regime of Abdullah Amin to power. However, Massoud received warning of the Soviet intentions and determined on a pre-emptive strike against Soviet aircraft at the giant Bagram airbase, outside Kabul. Although the guerrillas destroyed or damaged 25 aircraft, Massoud reports, delaying the Soviet assault by more than two weeks.

The pre-emptive strike was typical of Massoud's tactics. Early in his guerrilla career he reported the mullah Mujahiddin (ahad) named assaults against well-defended positions. Instead, Massoud favored classic guerrilla tactics: small-force hit-and-run attacks on vulnerable targets. This flexibility was doubly important when the Soviets launched their offensive on May 18. Expecting a Soviet thrust northwest into the valley, Massoud had deployed much of his strength in defensive positions at Pungur's northern tip. But he had also positioned strong mobile units throughout

the 20-km-long valley. So when a large force of Soviet paratroopers and helicopter-borne assault troops made surprise drops at four separate points high in the valley, Massoud's forces were not completely outmaneuvered. "We were attacked from the sides by elite Russian soldiers," wrote Massoud in a June 18 dispatch. "But they were not able to get behind us."

The airborne attack involved more than 190 helicopters and 20 jet fighter-bombers, he said. Eyewitness reports from two Western journalists and three French doctors who later close reached Peshawar claim that some of the pris-

oners were in good advantage. Massoud reports that his men knocked out five helicopters and captured 40 Soviet machine-guns. "More than 100 Russians and puppet troops were killed," he claims. "And we suffered 14 dead, more wounded."

During the second week, guerrillas were able to thwart the air attack by moving up close to enemy positions, where there was heavy hand-to-hand fighting. But by then, it is a demonstration of solidarity unprecedented in the war, other rebel units in at least four provinces were dispatching men, arms, food and medicine to the Pungur. One independent guerrilla force of 1,000 is even reported to have mounted a diversionary attack on the Soviet garrison at Shikar, near the valley. Ghazni Governor Mawla Mawla reported that the Pungur was a witness to the fighting, said on his return to Peshawar that he had seen a "triple jump" on the road, made as men and material rushed to the Pungur.

By June 4, after almost 20 days of heavy fighting, the invading forces began to withdraw. They left behind a firm of 5,000 to 6,000, more than 100 jet fighters, along with two armored brigades. But within days Massoud launched a counterattack. "The remaining enemy forces are continuing to pull back toward Kabul," he said June 12.

Massoud's estimate of enemy losses is 1,000 Soviet and Afghan casualties, 30 helicopters and three jet-34 jets downed and 60 tanks and armored vehicles destroyed. If true, these would be the biggest Soviet losses of any single engagement in the war. The Mujaheddin are reported to have suffered hundreds of casualties and to have lost several jet fighters, military aircraft, tanks. But no significant arms caches were abandoned, and the Pungur remains in their hands.

These figures, though highly significant in a military sense, remain awkwardly difficult to compare to the Soviets or their United offensive. The Red Army's poor showing will intensify the Kremlin debate about whether to pour in major reinforcements or to make a serious attempt to negotiate with the rebel force.

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—DAVID KLEIN in Peshawar



Massoud legend



Pope John Paul II, Archbishop Marchionni: a series of questionable bank loans

THE VATICAN

Untangling a scandal

When he was found hanging under a River Thames bridge last month, London tabloids dubbed: close Vatican business associate Roberto Calvi God's Banker. But Calvi was under suspicion of fraud, and investigation into his affairs last week revealed that yet another financial scandal, this time within the Vatican itself, might have had difficulty distinguishing between God and money.

The man in question was American Archbishop Paul Marchionni, president of the Vatican Bank. Officials have linked the archbishop from Claret, Ill., to fund manipulations with Calvi's Banco Ambrosiano. That institution, one of Italy's largest, is in debt to the sum of \$1.4 billion. Marchionni and the Vatican are believed to share some responsibility for the losses.

The background to the allegations is a series of questionable loans that Calvi's Banco Ambrosiano subsidiaries made in 1981 to Calvi's credit in the Banco Ambrosiano. At least part of the loans is thought to have been floated with letters of patronage issued by the Vatican Bank, also known as the Institute for Religious Works (IIR). And while the IIR holds only 1.8 per cent of Banco Ambrosiano stock, it is still a major shareholder.

Marchionni, 60, is no stranger to controversy. He first came into a shadow in 1974 when several million dollars in Vatican investments were lost in the collapse of Italian financier Michele Sadonia's empire. But despite the headlines and accusations on that occasion, Marchionni continued to enjoy the confidence of Pope Paul VI. Under John Paul II, the golf-playing arch-

bishop has advanced further, assuming the office of city administrator and personal travel secretary to the Pope. Vatican insiders suggested that he was being groomed for a cardinal's red hat. But Marchionni's prospects of advancement, as well as his office in the top managerial tower of St. Nicola's, may now be at risk. After being shown a secret letter from Calvi that absolved the state of any lending commitments, the Treasury Ministry said last week that if the not allowed Calvi to use its letters of patronage, while holding a secret his-

At least part of the loans is thought to have been floated with the assistance of the Vatican bank

claimer from him, it could be open to charges of fraud. Money officials have reportedly outlined to Marchionni the possible legal—and moral—implications. Within the Vatican, Secretary of State Agostino Casaroli's intervention has posed Bank of Italy officials in calling for Marchionni's replacement.

At week's end the Italian government planned a severe sanction for the Banco Ambrosiano, but Marchionni may not be so forthcoming. While the Pope has so far remained silent about the scandal, the prospect of indictment against a senior Vatican official may have him to part a discreet distance between the church of God and the works of man.

—DAVID GIBSON in Rome

FRANCE

Breaking up Chirac's Paris

When fighting for the French crown in 1803, the protestant King Henry IV of Navarre once opined that winning Paris was worth conquering in Calcutta. Nearly four centuries later, President François Mitterrand's Socialist government appears to have concluded that the capital is worth another sort of risk—the most dramatic press campaign of its 13 months in office.

Hatched in strict secrecy, its plan to decentralize the once administrative has shipped up storm clouds over the City of Light. At some in not simply whether or not power and real economic rights should be transferred to the capital's 20 ward-level arrondissements, but the manner in which the Socialists have subverted their former opponent: neo-fascist Jean-Marie Le Pen, who also happens to be mayor of Paris.

Dropped like a bomb from a cabinet meeting two weeks ago, the projected law effectively blows apart the fiction that Chirac has built around the gift of the city of Paris. It will now mean the city's 20 arrondissements will have a mayor in a half day per year. Whether receiving visiting heads of state or showering Quebec Premier René Lévesque with Gaudin hospital care, he has presided over his staff of 40,000 as if over a puppet government. That power has been made his de facto appointee leader—former president Valéry Giscard d'Estaing. After last year's defeat, had he got voted into his tiny communal council in the province as a step back toward the 19th-century French model, he would turn Chirac's majority into a gilded age of mock ceremony and little real authority.

As well, proposed changes in the city's electoral rules virtually assure the left will gain a majority in its municipal elections slated for next March. The bill, which will go before the Socialist-dominated National Assembly, stipulates that the mayor will no longer be directly elected by his 23 million citizens, but by delegation from each of 80 arrondissement councils which in turn will vote in for the first time on a proportional ballot.

Trembling with indignation, his tricorne mayor's snub had definitely shocked his ward. Chirac promptly called the press to his campaigner's Salon of Tapouettes to denounce the move as "an insult to history." As if working of an enemy are real, he stated. "The city of Paris, capital of France, is threatened with dissolution."



Pierre Maitre-Jacques Chénac: a glider of champagne and military authority

Elsewhere, the conservative weekly *L'Express* branded the measure as "a declaration of war." And even the pectoral Pierre Maitre called to the cause with a poll showing that 66 per cent of Parisians think Chénac is a good mayor and that 65 per cent saw the new law as the government's way of cutting his claws to skin. But the most unexpected entry came from the government's usual media booster, André Larroque, the newly elected director of *Le Monde*, declared the act in his first editorial as a "political operation."

Apparently caught off guard, the government promptly backtracked. Interior Minister Gaston Defferre, the man in charge of declassification, claimed that it was all a misunderstanding; the measure was open to all sorts of conservative negotiation. But that only served to further muddy the issue. The next day Premier Pierre Mauroy reaffirmed the original plan, provoking the pro-Chénac *Le Monde* to denounce the government as a "imitation politics."

Indeed, the farce pointed up the unsettling fact that once again the Socialists had rushed into legislation that was poorly thought out and exposed again within their own ranks. Last spring, having openly disagreed with Interior Minister Robert Badinter over a law re-

versing his own police force's powers, Defferre then fessed himself seduced by Chénac who, he had suggested, was a dined gambler's pretence. In trying to defend his spokeswoman, too, only deepened its embarrassment. Pointing out that the Maitre plan was perfectly natural for large cities, he was then left to explain why the Socialists had not decriminalised his own field of talk, or *Maitre* like which has been Defferre territory for 30 years.

Last week the controversy over declassification in Paris spread to the Socialist wider plans for decentralisation—the most radical reform they have proposed since taking office. Seven that regional councils in the four overseas departments of Martinique, Guadeloupe, French Guyana and Reunion Island would be disbanded in favour of proportionately elected assemblies brought an angry response from Gaullist stalwart Michel Delebar, the deputy for Réunion. But the real battle will be the bitter one waged this fall over the status of the city, that for centuries has epitomized the centralisation of power in France. In taking on Chénac, the Socialists may have severely miscalculated. The party's unavailability of their socialist wings turning the mayor into a martyr.

—MARTIN McDONALD in Paris

THE KEY

The high price of stability

Former Turkish premier Bülent Ecevit has every reason to fear the ruthless desecration of his country's military rulers. Last week the 57-year-old politician was sentenced in a military court to 87 days in jail for "disgracing Turkey abroad," criticising his country's planned constitution and "spreading false information" in the European media in defiance of an official decree that forbade former politicians from making public statements. Ecevit has already served two months in prison for stating publicly "I cannot bring myself to approve the present mode of administration in Turkey."

What most rankled the five-member National Security Council, headed by Gen. Kenan Evren, was Ecevit's denunciation of Turkey's proposed constitution as "not democratic" and "a sham." Not only that, but the former premier's unfavourable epigrams coincided with growing foreign pressures that threatened to suspend \$600 million in credits as a protest against 22 months of military rule.

For its part, the junta has ordered the constitutional review in order to avoid a return to what it regards as the political and economic chaos that Turkey suf-

Revolt on this protest military rule



fered under democratically elected governments. When the military seized power, it took the position that Turkey was being destroyed by terrorism in an endless civil war which claimed an average of 30 lives a day. At the same time, a malcontented parliament was reduced to hibernation while 1,125 parliamentary bills awaited approval.

In the aftermath of the Sept. 12, 1980, coup, Evren and his military colleagues suppressed the country's 67 known terrorist organisations and brought a measure of stability to the country. But the price has been high. Political parties have been outlawed, and their leaders, such as Ecevit and National Salvation Party Leader Necmettin Erbakan, have spent months in the junta's jails. Meanwhile, progress toward a return to democracy has been too slow to satisfy the junta's critics.

The new constitution is aimed partly at meeting just such objections. But its main aim is to enhance executive power and reduce parliament's role in Turkey—to a subsidiary role. According to retired Admiral Bülent Üstün, a close associate of Evren, the president will be given the power to suspend personal freedoms, dissolve the legislature and use any means at his disposal to resist terrorism.

But perhaps the most ominous threat to Turkey's future as a democracy is contained in a section called "The rebirth of parties." The parties are apparently aiming at the creation of a new force to link the military with people committed to be unshaken by political turmoil and devoted to "Kemalism." After the eponymous Mustafa Kemal Atatürk, the founder of modern Turkey, Kemalism embodies a strong, secular, pro-Western orientation.

Evren's generals oppose extremism on both the left and the right. But they also rule out an Islamic government similar to that of neighboring Iran. They consider themselves to be the "intelligence guardian of Kemalism." If a new Kemalist party is formed, it could shake Turkey permanently to a system such as the one imposed on Spain by the late dictator Francisco Franco. The danger of this likely to be of more than academic interest to Bülent Ecevit. After serving his latest sentence, he still must face two more charges of illegally communicating with Western journalists. As for his fellow politicians: "They should stop hating democracy. The state liberated us from them," according to Evren. "If they do not find this warning sufficient, we will not hesitate to take very strong and severe measures." His underlying message is clear: Turkey will remain firmly in the military's grip for years to come.

—ANDREW ROBERTS in Istanbul



A Morton Gross, N. gun seller closing out, pivoting his gun lobby's intricately

UNITED STATES

The war on weapons

By Michael Posner

Maryland's Montgomery County, just north of the District of Columbia, is an archetypic of suburban America—orderly, slow-moving, almost tranquil. On a typical summer evening crowds flock to movies and miniature golf. Neighbors sit on porch stools sipping beer or lemonade, fighting only hardy and the temperate. The county council's agenda consists the standard forms of disputes—sewerage, tax assessments, redevelopment vs. status quo. But when the council last week considered a public hearing on a gun control proposal, an overflow crowd turned up, its anger as palpable as the summer heat. Opponents and defenders of the bill squared off in bitter debate.

In a society often marked by lively public discussion of current issues, few subjects arouse as much passion among Americans as gun control. Against it stands the mighty lobbying fortress of

the National Rifle Association (NRA), with its 2.4 million gun-owning members. President Ronald Reagan among them. The NRA boasts a \$4-million budget for lobbying alone and another \$5 million ready for disbursement to politicians sympathetic to its cause. In favor of gun control, according to opinion polls, are 60 per cent of Americans, with almost two-thirds of them advocating outright bans. For the NRA, virtually any form of control violates the Second Amendment's guarantee of the "right of the people to keep and bear arms."

For the swelling army of gun control proponents, including dozens of new national, state and local groups, even a minimal tightening of current laws would do much to combat violent, often gun-related, crime. In New York City, for example, the incidence of violent crime in the first four months of 1982 dropped by 8.2 per cent, a decline at least partly due to a new, strict gun control law.

At the grassroots level, supporters of gun control seem to be wielding greater

influence politically. Last week Sen. Francesco adopted the nation's toughest handgun gun ordinance—an outright ban on pistol ownership. The law, championed by Mayor Dineen, Firearms, weapons police, private investigators and others with a legitimate need for a gun but would punish visitors with jail terms and fines. The NRA immediately said it would challenge the law. Only state governments, it claims, have the right to legislate gun control.

California may soon be forced to do just that. On the ballot in November will be a referendum on establishing a ceiling on handgun possession at current levels—an estimated five million weapons. Says John Phillips, head of California Against Street Crime: "This is our chance to prove the myth of the gun lobby's invincibility." Elsewhere, Chicago recently passed new pistol registrations, and its suburb, Morton Grove, last year enacted the nation's first ban on handgun ownership. Still, many communities—especially

in the South and West—have fiercely resisted control. In fact, seven municipalities have even passed laws requiring gun ownership. In one Georgia town, a single incident of burglary has been reported since the ordinance was passed. In Alabama, Gov. Fob James signed a bill in May prohibiting councils from enacting handgun controls.

Recently, the influence of the NRA remains profound. The Senate pattern committee has already approved a set of amendments to the simple substantial piece of legislation: the 1986 Gun Control Act. The amendments, known as the McClure-Volkmer bill, would wipe out the act's toughest provisions, including bans on mail-order sales and on the private sale of handguns by dealers. Ironically, the NRA no longer supports the changes, since they would require a 18-day waiting period to check buyers for criminal records.

The NRA nows to have that measure delayed during Senate floor debates later this summer. It is also threatening

to deal sternly with renegade Senator Charles Grassley (Iowa). The gun lobby contributed \$50,000 to Grassley's 1980 election campaign, thing what he said about gun control. But Grassley voted for the 18-day waiting period. If he fails to change his vote on the floor, says NRA lobbyist J. Warren Cassidy, "We would have to try to replace him."

In the meantime, the United States remains awash in a massive sea of 175 million firearms. And while the gun lobbies continue to plead that people—not guns—are responsible for crime, the fact remains that handguns killed more than 13,500 Americans last year—48 times as many victims as in Canada, Great Britain, Japan, Israel, Switzerland, Sweden and West Germany combined.

Out in Montgomery County, the debate continues. Unable to hear all opinions last week, the council voted to hold a second public forum next month.

With Anne O'Brien in New York.

The lapse of luxury

A brother-in-law of a prince in direct line to the Saudi throne, Sheik Mohammed al-Fassi clearly had appearances to keep up. So his plane for a \$5-million "cruise"—complete with caviar, replica of the Ben and half a dozen waterfalls—on Miami's exclusive Star Island attracted plenty of attention but little adverse comment. The same was true of his midnight dinner party, at \$25,000 a throw, in the Diplomat hotel, the glitz of Hollywood, Fla., where the sheik and his retinue of 70 occupied three floors.

But last week appearances went against Sheik al-Fassi. He was charged in Broward County under Florida law with intent to defraud an innkeeper. According to the Diplomat's management, he owed two months' back rent—a total of \$1.5 million.

It is just 39 months since Sheik al-Fassi, 38, and his wife, a sister of Prince Turki bin Abdul Aziz, South is less to the throne of newly installed King Fahd, one of the wealthiest men in the world, left Broward County. In that time, their lavish spending and extravagant behavior have become part of South Florida folklore. In al-Fassi's heyday the Diplomat kept its dining rooms and kitchens fully staffed around the clock to cater to



Sheik Mohammed and wife, Dana. Florida folklore

his off-hours dining habits. The place he has outgrown on Star Island housed a full-time kitchen, bowling alley and tennis courts, as well as other amenities. To deflect criticism, Sheik al-Fassi also made a series of sizable and well-publicized donations to local charities. He became friendly with Miami City Commissioner Joe Carollo, who gave

him a key to the city.

But last month Sheik al-Fassi began to have cash-flow problems. The Yellow Cab Company of Fort Lauderdale sued him for almost \$157,000, allegedly owed for limousine services. It said charges for \$68,000, drawn on a Swiss bank account, had bounced. Then, a co-owner on the Star Island project went to court claiming \$275,000.

Finally came the moment of truth at the Diplomat, whose lawyer, Richard Gertstein, said that no fewer than 38 cheques had been returned from Swiss-oriental marked "insufficient funds." The sheik and his family were forced to take refuge with his father, Dr. Shams al bin al-Sud, in Miami Beach. His entourage moved to the Everglades in downtown Miami. Said Everglades post owner George Goldblum: "Business is business, but sometimes you have to have compassion. Basically we think they are honorable people." That view is shared by the sheik's lawyers. At work's end they gave an assurance that the Diplomat would be paid in a matter of days, though the pledge did not prevent Broward circuit judge Robert Andrews from imposing the sheik's \$2-million and four luxury limousines. After Sheik al-Fassi settles with his debtors, he still has to reckon with his first wife, Dana, 35, who is suing him for divorce. Dana is seeking annulment of his two subsequent marriages under Muslim law, custody of their four children and half his fortune. But even Dana's demands are not as serious as they sound. Her lawyers estimate that al-Fassi is worth \$4 billion, more than enough to take care of appearances. —CLARA S. RYAN and JEFFREY M. MANN

INTRODUCING KEMPER'S BAVARIAN CREAM.

Kemper's Bavarian Cream is inspired amidst the green pastures of Bavaria. Created from a secret recipe of the Kemper family, this original Cream Liqueur is a blend of fresh dairy cream and gracefully aged whisky. Light and refreshing on ice, its taste has a quiet warmth on its own... melior, smooth and delicious.

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An 'honorable settlement' to a war

By James Fleming

For Conrad Black, the wunderkind of Canadian business, last Friday was time for great contentment. In the barely apparent confines of his company's Toronto headquarters last week, the high-profile financier was announcing the settlement of a three-month war of words and wits that was sparked on April 5 when Norcen Energy Resources Ltd., one of his companies in the Black stable of corporations, had boldly launched a \$100-million (U.S.) bid for 50 per cent of Hibernia Mining Co. of Cleveland. With a defiance that stunned even Black himself, which has extensive Canadian mining holdings, had closed back in the courts—wondering if the takeover bid and providing a glimpse into the corporate strategy session lying behind such skirmishes that last week in a surprising twist of events, the feud abruptly ended with an out-of-court compromise—the mood of animosity was replaced by, as Black puts it, "A new ambience of civility."

The deal was hammered out in three secret sessions with the main protagonists, Black and Hanna Chairman Robert Anderson. After two earlier meetings in Toronto and New York, agreement was reached over coffee and soft drinks in Toronto's Ravello Hotel. An all-night drafting session by squads of lawyers in Cleveland followed, General Black after a long struggle, reluctantly

conceded his holdings in Hanna—except under unusual circumstances—for eight years.

For his part, Black expressed great pleasure with the outcome. "The deal," he told *Maclean's*, "goes as what we set out to obtain in the first place, which was a significant investment in a responsible price in a new company that is well-managed without imposing any unreasonable responsibilities on it." Indeed, by reverting its stake in Hanna, the third largest asset producer in North America, Norcen is now in a position to

use funds about \$60 million in equity to finance things—now 32 per cent owned by Black, interests—and Hollinger North Shore—now 100 per cent owned 100, in Black's opinion, "is virtually the only thoroughly profitable mining company in Canada."

Some observers are more skeptical about the benefits of last week's deal for Black. They point out that Hanna's profits dropped last year and in the first quarter of 1982 and question the wisdom of paying \$45 each for 34 shares when they are trading in the \$38 to \$42 range. But they acknowledge that the move was only the first step toward a more important goal. Following the deal Black intends to reacquire the newspapers in his control to bring the move, an exercise of one group under the wing of Norcen. Once that is accomplished, the income from iron ore operations can be reinvested in Hanna's oil and gas operations, thereby reducing it from losses. The details of the shuffle were still being worked out last week, but Norcen President Battle told *Maclean's* that the outcome will likely involve Norcen ending up as a 49.99-per cent shareholder in 100.

Hanna officials were also congratulating themselves. The most immediate boon to Hanna on the infusion of \$60 million into its treasury. Already that money has been used to pay off most of the company's \$100-million debt—a large part of which was floating rate. As well, Hanna pointed with pride to the fact that six independent bids had been submitted, Black had not obtained majority control.

It was clear, however, that a major gain for both parties to the hostilities was the end of the anger—and embittering—near proceedings. An acrimonious mood had permeated throughout the legal confrontation, but the actual jostling had begun much earlier. The testimony given by Black and other witnesses revealed that the Toronto financier's interest in Hanna had been involved in controversies in 1960 and 1961 with members of the Humphrey family, which holds a large chunk of Hanna's stock. At the time, George Humphrey expressed some dissatisfaction with "settling" a matter. Two major developments fol-

lowed these encounters. In September, 1961, Norcen purchased a 49.99-per cent stake in Hanna, then on October 28 it added its share to 51 per cent. According to documents filed with the U.S. Securities & Exchange Commission (SEC), the 51.99-per cent purchase was for investment purposes only. But on that point the SEC's reading of Norcen's motives increased. And whether Hanna's worst fears—that Norcen was jockeying for control—were justified at the time or not, they were realized on April 2 this year when Norcen presented there with an advisory sheet. Hanna could either agree to a deal whereby Norcen would buy 30 per cent of their stock and be given a controlling say in the affairs of the company or the Black group would launch an all-out takeover bid to gain 51 per cent of Hanna's shares. The first choice was turned down last week and within days the takeover war was under way.

Hanna's board reacted like an enraged tiger. First, it sought and won a restraining order from the Ontario court. Then, on June 1, Hanna won a preliminary injunction against Norcen's bid, and the Black group immediately sued—and was granted—an appeal with the Sixth Circuit Court of Appeals in Cincinnati, which is now moot. Not surprisingly, however, there was a major divergence of views between the contestants as to



Anderson (above), Hanna chairman; Black, Norcen president

what the result might have been. The view among some Hanna directors last week was that everything had been going their way—largely because the minutes of Norcen executive meetings revealed that on Sept. 9, 1981, Battle had referred to the possibility of gaining 50-per cent control of Hanna.

The fact is that the company was that the speed with which the appeal court agreed to their request indicated that it believed that a sweeping review of the lower court decision was called for. Moreover, Black clearly dismissed the Hanna charges. "That was just an afterthought," he said. "They didn't believe a word of that themselves."

In any case, both Hanna and Norcen are now pleased that the court battle is ended. But it's more than 10 years since the Ontario Securities Commission (OSC) or the SEC will further investigate the case. It is also Black's contention that an investigation into the case by an "ombudsman" Toronto politician, who suspected Norcen intended the Ontario Code in 1980. Finally, he ended the "lawful life episode," as he termed it, was an "unpleasantness" to the Ontario attorney general.

Perhaps the outcome of the Hanna-Norcen case was best summed up by Mulreany, a friend of Black's and a Hanna director, who was in the middle of the war of wits. "It was clearly an honorable deal and an honorable deal is one that is good for both sides." ☐

The banks fail to make the grade

The news confirmed what financial experts have suspected for months—Canadian bankers have overextended their institutions with a number of shaky corporate loans. Last week the Dominion Bond Rating Service (DBRS), a Toronto agency that judges the soundness of major institutions, lowered the impeccable debt ratings of six major Canadian banks. Four of the six—Royal Bank, Toronto-Dominion Bank of Montreal and Bank of Nova Scotia—had their triple-A ratings lowered to double A, indicating that they are no longer in the same financial credit league as such blue-chip giants as Bell Canada, Gulf and Imperial Oil. Two others also suffered the bad news: the Canadian Imperial Bank of Commerce (CIBC), already the lowest-ranked major bank at double A (right), dropped to double A (low), while the Manulife Bank dropped from double A to A. These assessments justified the move by pointing out that the banks are over-

large amounts by several debt-ridden companies, including Dome Petroleum (owing \$4 billion to \$5.4 billion), Selkirk Ltd. (\$700 million) and Western Fur (about \$400 million). The agency also blamed its loss of confidence in the banks on the depressed state of Canada's mortgage-based economy. Explained main Vice-President Tim Crocker: "Because Canadian banks are tied to the weak oil, gas, mining and auto industries, exposure to domestic credits is considerable."

To soothe the psychological blow to the banks and to help keep in perspective the significance of the new ratings, until considered that banks are "all concerned to be superior credit in Canada, and chances of insolvency or bankruptcy are remote." But that came as little solace to bankers whose profits in the first half of 1982 were down 34.1 per cent over last year. The banks had already been struggling to reassure nervous customers and shareholders that they had enough capital to survive an anticipated record year in bad-debt losses. In a new shakedown by money bank administrators, Toronto's Dominion Bank Executive Vice-President Alan Barker complained, "I take real issue

with them [banks] because they treat the banks as a superior credit, yet they are cutting doubt on whether we can maintain dividends and service bonds and shareholders demands."

But for the CIBC there was even worse news as more. When Gary Lark, a former CIBC cabinet member, moved out last week that the Commerce would be an overvalued by October, the bank's shares fell 10 cents to close at a 14-year low of \$37. The panic selling came as a shockling blow to a bank that may be struggling but still managed to end the year with a net income in the first half of 1982 of \$127.7 million, or 10.5 cents a share. From Vancouver, says he based his remarks on reports that the Commerce has a \$1.7-billion loan to Dome Petroleum and is not receiving interest payments on the loan. He reiterated his concerns after Commerce Chairman Ronald Thomson dismissed the claim as "totally incorrect" and "unsubstantiated." Nonetheless, the bank was inundated by calls from frightened clients who wanted to know if their savings were all right. In a business industry where the former is the former, such rumors are frightening indeed. —CAROL BRIDGES in Toronto.

At 38, songstress **Bruce Jacks** is doing her best to spice up her girl-on-girl image. And if the tans on her new silk shorts, *Forever*, send a little home, they are still a shell away from being compared with the *Woppy Family* product and ex-husband **Tony Jacks** turned out a decade ago. After their breakup in 1973, the wide-eyed artist said: "Some had perceived outrage singing 'Whisk 'Em Good' Bitty" began to wear this. Finally, bored with the "and, lost and crying" image herself, Jacks went to West Coast rock *Swing* **Bruce Alan** and demanded a make-over last year. "Bruce is totally honest and doesn't pull any punches," says Jacks. "He told me to lose 20 lbs. and buy a new wardrobe." That accomplished, Alan teased his new charge with *Plunder* **Bruce** band producer **Tom Levin** and went after a country-rock sound à la **Linda Ronstadt**. "I still like to sing ballads," Jacks explains. "But I can't just go out and sing any way through an album now." After a "teaching me how to be a brand, and I'm glad" she does her second husband, former **B.C. Lions**

defensive back **Ted Cusack**, think of the transition: "He'll all for it," Jacks says. That must be reassuring for Alan.

Although the British press dubbed her Princess Scorpions because of her less than polished response to the royal birth, **Princess Anna** was smiling and sociable during a three-day visit to the Yukon last week. After a few formal appearances, the 35-year-old mother of two shed her matriarchy silk dresses for jeans and cotton blouses and gaily covered up a minor's outfit, complete with black rubber boots, for a 200-m descent into the Whitehorse Copper Mine. Still seemed comfortable. She told guests at a state dinner, "I can assure you that Sovereignty is a trait you don't need to acquire or develop," and said: "I couldn't have been pleased to see Anne whatever she was wearing. The British press turned up looking for trouble. I did—the press and her husband, **Capt. Mark Phillips**, are rumored to be separating—but in a week of royal frivolousness, all the reporters got was a very stiff upper lip.



Anna in Whitehorse: keeping it casual

conference later, Greenpeace said that at the interview with the *Esquire* reporter, "Cathy Smith was heavily under the influence of alcohol supplied to her by the interviewers and was further inspired as a result of drug consumption." Greenpeace reports that his client is, as yet, undecided about suing the *Esquire* for libel. She maintains that the article published was not the same as the one submitted to her for approval.

From obscurity to obscurity in six years. That's how Canadian and British Commonwealth heavyweight boxing champion **Frankie Burke**, 38, feels about his stay in Halifax. Although people everywhere else are now giving him his due as the world's third-ranked heavyweight—and the only man to star six 15 rounds with champion **Larry Holmes**—Burke feels he is still ignored in Canada. So, last week, he moved his base to Miami, explaining that he would get more recognition—and wealth—there and that his body would respond much better to the warmer Florida climate than it had in Halifax's dreary days and chills. "I'm a Miami tri-cities guy," he is in the gym all the time. "I say 'The world will know about me eventually.' In Canada, where the Jamaicans here Burke moved after the 1976 Montreal Olympics, he has received only one offer to endorse a product. From the United States, the offers have come frequently. See his best: *Smile young American* **Greg Page** lost

weight in a waistcoat-defining taking over Page's third-place position. "I'm the kind of guy that wants to get rich," says Burke. "The only way I can get money is to go to the States. The sponsors want me to be identified with the American system." As for Canada, Burke says he took a liking to skiing and skating, and he will leave a sizable real estate investment intact in the Maritimes. "My heart is here," he adds. "In Halifax I feel I've been neglected but I've overcome it. I've made a lot of friends." Clearly, it's a split decision.

In the 1960s, five Toronto teenagers formed what was arguably the tightest Canadian rock 'n' roll band of the decade. With members like **Nirvana**, the *Any Way You Can Be Me and Goodbye*. The *Big Duckies* became a minor pop band during the 1960s. Except for a brief reformation in late 1970, the musicians went their very separate ways to careers ranging from automobile to graphic design. Meanwhile, Now, 17 years after they started, the Ducks are back with bells on. All of the original members—lead guitarist **Roger Mayne**, 36; vocalist **Dave Symington**, 35; drummer **Robert Davis**, 34; rhythm guitarist **Dave Bell**, 35; and bassist **John Reed**, 35, plus sometime Duckling **Joe Co-**



Ducklings **Bill Mayne**, **Cameron**, **Brown** and **Symington**, good of rock 'n' roll

manor, 35, gathered at a Toronto club this month to prove that, in Mayne's words, "a lot of groups don't have a ball for the kind of music spawned by that era the way we do." In a sense that sounded of a Hollywood rap-to-rap-to-rap, a questioning looking song from Detroit turned up at the performance and immediately began negotiating a tag of the northeastern United States Armed with good old-fashioned "precision," Mayne says the Ducks plan to do their "reborn music" in at least one more club before recording a single, *War Babies*, and an album this fall. "The music industry is sick," Mayne allows. "But the people who buy records—the baby-boom age group—are still our audience." As **Bob Seger** wrote years ago, *Rock and Roll Never Forgets*.

Boxing champ **Burke**: finally his heart behind



If the stalwart **Hammond** first lady, **Elena Cornaro**, has her way, the single days of her high-living son, **Nico**, 36, may be dwindling down to a precious few. According to reports in the *Ruepost* press, the matchmaking mom is trying to pair her confirmed bachelor son with Olympic gold medal-winning gymnast **Nadia Comaneci**. As for **Comaneci**, she's a Red Prince, his alliance with the star's most famous and beloved daughter would be more than just acceptable. Probably. While Nadia is said to be keen on marrying into the boxing family, **Nico** the Olympic proform to white away the time with a little-known cultural singer. Should he suc-

ceed, it will be the first time any of her children has been to modern's couch. Nico's brother, **Spencer**, hasn't been on speaking terms with his mother for more than 10 years because he made the supreme error of choosing a bride with ties to the previous regime. Meanwhile, daughter **Jack**'s recent week-long tryst in a Transylvanian hotel with a tutor left her father, **World Comaneci**, with an abuse list to hastily exact laws strictly forbidding unmarried couples to rent hotel rooms. It is not known if Nico is currently under suspicion of breaking the latest rule, but surely a gold medal on his ring finger would reduce the likelihood.

Assured by the whopping \$20-million federal bid, the residents of **Bele Plain**, Sask., were not in a mood to accept mass government spending on Canada Day. So, instead of the *EuroGala* held by the Ministry of state to celebrate Canada's 110th birthday, they banded the cheque over to local *Tony Joe Dooz* Hall and told him to return it to tender. A large box of party balloons and tiny maple leaf flags was reported and mailed directly to Prime Minister **Paul Trudeau**. "Our government can't afford to blow money on parties," says restaurant owner **Gene Mills**. "If we want to party, we party. But we pay for it ourselves." Neil followed up with a call to the Commons, under the often used age group *Brand-new Order* 45, for an immediate cancellation of "excessive programs." As night has been reported, the matter did far lack of unanimity. Meanwhile, flags flew in the tiny hamlet 40 km west of Regina as July 1 without a hint of celebration from Ottawa. Says **Neil**: "If you have any pride in your country, you don't have to be paid to celebrate its birthday."

—EDITED BY BARBARA RICHMOND

Jacks's new image: learning how to be a brand



Nearly four months after comedian **John Belushi**'s death, the Los Angeles Police Department (LAPD) has resumed talks with **Cathy Nuyve** Smith. The 34-year-old self-proclaimed "Pleasure Machine" with a hypodermic syringe was living with Belushi in a Hollywood motel and was out on an arrest when he was found dead by a bodyguard. Confronted that the 33-year-old close actor, who had a reputation as a manic partygoer, is advertised himself on March 5 with an overdose of heroin and cocaine, the LAPD questioned Smith only briefly and let her go. Then, in an interview from her native Toronto with the *National Enquirer* last month, Smith said that she injected the fatal mixture into Belushi's arm. "I killed John Belushi," Smith is quoted as saying. "I didn't mean to—but I was responsible for his death." For a reported \$15,000 fee, Smith may have launched a second-degree murder charge against herself. This month two detectives from the LAPD flew to Toronto to meet with Smith at the home of her lawyer, **Bruce Greenpeace**. Smith read there a prepared statement that said, in part, that she did not murder John Belushi. At a press

Color the Cup Azzuri

By Rick Boulan

I had been so long in exile. The Azzuri (blue) of Italy had not won the World Cup since back-to-back victories in 1934 and 1938 and had not reached the final since 1950. But Sandro's dramatic win over West Germany in the 1982 Mundial at Madrid launched memories of previous defeats, sent hundreds of thousands of Italians dancing into the streets the world over, and justified a "chaos-link" defense that had been universally criticized.

Italy's victory was perfect evidence

going European soccer grade. South American had dominated world soccer since Argentina's 1955 World Cup victory. Uruguay won the final Cup in 1950, and the past two world club championships have been won by South American sides. But all that changed in the three-week Madrid marked by dramatic upsets, a highly questionable doping by West Germany and Austria, and the usual assortment of hysteria and carnage the world over.

Among the sidehews were the arrest of 35 government workers for illegally watching a game in Kuala

aluma made it all look so easy, breezing along in 30 C heat without raising a sweat. But this was a Cup in which the giants fell, one after another, and Italy lay in wait. To general surprise Italy had brushed aside Argentina in Round 3 and, needing a win against Brazil, promptly cracked open the Brazilian defense three times. Brazil declared a national day of mourning. Meanwhile, West Germany qualified without playing. Though drawing 0-0 in a shabby, negative game with England, the Germans were capable of playing skillful soccer when needed by. The training and dribbling skills of Pierre Littbarski lifted them to a 2-1 win over Spain, which put the hosts out of the Cup reckoning, and when England could manage no better than a 0-0 draw with Spain, the Germans advanced.

For many, the Germans were the true villains of the tournament, thanks to the so-called "Roof" game played with Austria in Round 1. Algeria, 2,000-to-1 outsiders, had beaten West Germany and Chile but lost to Austria to finish with fewer points. Almost anything but a 1-0 win for West Germany would have allowed Algeria to advance. But after Germany scored its early goal, both teams hung back and played an intricate little game of "cat's paws." In a day of upsets for soccer, Algeria protested, calling the game a parody and an "immoral act." The protest was turned down (although rules may change in 1986), the "master" Germans and Austrians advanced, and Algeria was out. Poland qualified for the semifinals by slugging it out with the Soviet Union in another useless draw which eliminated the favored, and often inventive, Russians. The fourth team to make it to the period lost four was, surprisingly, France, which squeaked through by virtue of goal differences after missing six goals against Kuwait.

The World Cup provided no cheer for other disadvantaged countries. Peru's team returned home in public disgrace and scandal when it was alleged that several players had had sex the night before a 5-1 drubbing by Poland. The Argentines also suffered almost total humiliation. The aptly named Galliani line of Argentine defenders conceded five goals to Brazil and Italy in Round 3, losing the battle. The Spanish fared miserably, too. The last team to have three of the past four World Cups, yet the Spaniards only survived the first round on the strength of offloading that might best be described as "amateurism."

More tears will be shed and more glories trumpeted, after Italy's triumph in Madrid on Sunday, but the world of soccer will settle back into a semblance of order—at least until the next World Cup qualifying rounds 24 months from now. ☐



Italy's Rossi (left), Francesco Grittani celebrate a goal, diving into the crowd.

tion, too, for the magnificent Paolo Rossi, the 36-year-old striker who returned just months before the tournament after a two-year banishment in a gun-firing scandal. Rossi singlehandedly carried Italy to the final, scoring all his team's goals in a 3-2 win over Brazil and 3-0 defeat of Poland. The Germans could take solace only in statistics of Cup wins in 1954 and 1974 and knowing that they reached the final by the narrowest of margins—a one-goal victory over France in the first-ever shoot-out after overtime in the semifinals.

The first all-European quartet of semifinalists since 1966 retained flag-

bearer, Malaysia, the deaths of two fans and injuries to 1,000 during celebrations in Brazil, the suicide of a young Honduran after his country's loss, injuries to 14 of 35 people watching a televised game in a single room in Peking when the floor collapsed, a civil suit filed in Gelsenberg, West Germany, by a fan charging that watching his team against Austria caused him bodily harm (suicide), and demonstrations by Italian fans in Toronto that had traffic tied up for hours and policemen removing body parts.

The distractions on the field were no less compelling. For two weeks the Bra-

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Singular first persons

By Trent Frayne

Once it was a joy to sit at the knee of George (Punch) Innish when he was running the old, old Toronto Maple Leafs, the ones who used to win now and then, and listen to him talk about his hockey team as the first person singular.

"I expect I will see the Cup again this year," the great man would say. "I'm playing up to my standard in the nets and I'm saving more goals than before."

George was a talker, all right. He would tilt his fuzzy fedora back on his bald head and mutter the newshounds good warmly, and he would tell them to go ahead and quote him on anything, whether he'd said it or not, as long as it didn't make him look like an idiot.

Mostly, these days are gone forever, not just with George, who, as we shall see, developed a whole new technique for communicating with the public, but with most of the young aficionados floating around the sports pages these days. They no longer need the ink.

One noon your agent spotted George Brett, the Kansas City third baseman, taking in a hotel lobby, and asked if he could spend a moment.

"What for?" Brett asked, unblinking.

"A couple of questions to test an early deadline."

"Well, he at the ball park at 5PM," said George, nodding himself into an easy chair. "You can see me then if you want to."

Yes. Still, not all the clubhouse gossamer of unimportant trivia. Walking into the powder rooms of the Yankees and the California Angels, each as deep in red-linenaires as a Rite Haysen showroom, is to get the unmistakable stink you're visible. Talk about asked a radio guy I once asked Lou Piniella for a few comments, and the Yankee outfielder said, no, he wasn't giving interviews tonight.

Well, at least he spoke Steve Carlton to the Phillies (left-handed, doesn't). At all. A couple of Golekians ago Steve sat down the Rapos on a three-bit stunt that eliminated the Rapos. As always, Steve went directly to the training room, off limits to newshounds. His catcher, Tim

McCarver, feigned questions, deciding how Lefty's slider did this and Lefty's fastball did that. When the coast was clear, Lefty sneezed, looking neither right nor left.

In interviews, Winkler's winner Jimmy Connors gets a nod, along gleam in his eyes and a fixed half-grin on his lips and drops one-liners whose whose job is to record his pearls.

Jimmy was in Toronto last February for an eight-player invitational tournament. At a press gathering the following evening, typically.

"Did you practice today?"

"Yeah, why not?"

"What practice today after losing that tough match in Chicago yesterday?"

"Why not?"

"Did it bother you that McCarver handled you in straight sets?"

"No, should it?"

Unexpectedly, on-court time coach John McCarver in solemn, reserved, at most shy when confronted by newshounds. In a brown-furred way he of-

ten tries to provide thoughtful responses, not just quick answers.

The best interview on tennis is Billie Jean King, who speaks her mind on any topic, has no side and gives a level blue-eyed gaze through those rimless specs, leaving the impression that she's glad you asked.

Her counterparts in golf and hockey are Tom Watson and Wayne Gretzky, the two best at their games in the world, right? Bugged as they are by so mis-taken switches, they rarely show even a moment of piety. Either mindlessly or because they are a naturally polite, they flatter interviewers and reduce us to blubbing fans.

At the Masters last April, for instance, your agent wanted to ask Watson not about his opening round, which was interrupted by rain and had to be completed at the crack of dawn, but about chalking. As Watson sat on a dish waiting to face the 50 critics, I bent at his chair and asked him if he'd ever talked about, or, chalking, which it is, of course, a somewhat delicate topic.

He turned, his face reflecting concern. "That's something I don't want to deal with quickly," he said after a moment. "Let's you and I talk about it privately after I'm through here."

And then there is Gretzky. He had scored 75 goals and was shooting for Phil Esposito's record 86, and 9,000 critics had appeared, making interviews, your agent among them.

Patiently he took us on, sometimes one at a time, sometimes surrounded, and it was like that for two days. The team went for a skate at noon on game-day, and we were all there again, pushing and crowding. How does the guy stand it, I wondered, moving all the while, watching him. Just then our eyes happened to meet. He grinned. "Hello," Mr. Frayne," he called. I wasn't, what the hell are you going to do when a guy says that on you?"

As for Punch Innish, as his last two years in Left ON he decided to talk to no writers, though not to his tape recorder. This fall he and collaborator Scott Evans bring out *Beverly and Me! in the SUN*, in which George answers all the questions newshounds were never able to ask him.

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Assaults on multiple sclerosis

By Pat O'Leary

Four months after Kate Tenner's wedding day, some hours from spring happening. First she noticed she would not navigate stairs as well as she used to, and then she stumbled and fell for no reason. Then her vision began to blur. Glasses seemed to drop-out of her hand, and when she stopped to pick up the shards she would cut her fingers. "I felt myself becoming awkward in many little things," she recalls. "Everything just seemed to be slowing down." Soreness, nerves and job stress, her doctor prescribed tranquilizers. Later, when her bladder failed to function properly, he sent her to a specialist. But neither the tranquilizers nor the pills that the urologist gave her improved her condition. Two years after her symptoms began, Tenner was finally diagnosed as having multiple sclerosis (MS). Says Tenner, "I thought it was some kind of tropical disease."

In fact, MS, a neurological disease, occurs more often in cold climates—with some 50,000 victims. Canada has one of the highest rates of the disease. Tragically, MS



Catherine, Karen and John Tenner. "I thought MS was some tropical disease."

strikes young people in their 20s and 30s just when families and careers are beginning. The disease is unpredictable, alternating between debilitating attacks and periods of remission. Today, having lived with MS for 11 years, Tenner uses a walker at home and a wheelchair when she goes shopping in St. Catharines, Ont. She's extremely fit—she is a member of the fitness club, and she paces herself carefully, drawing most of her precious energy to the new focus of her life, her 15-month-old daughter, Caitlyn. "Having a baby was a hard decision," confesses Tenner. "Now I'm nervous," she waxes rhapsodically about the future.

The uncertainties surrounding MS affect not only patients but also the neurologists who study it. Because the cause of MS is still obscure, no cure exists, nor even an effective treatment. But new diagnostic tools, some convincing theories as to the causes and new treatment possibilities are heartening researchers.

What is now known about the disease is that the progressive sheath surrounding nerve cells deteriorates. This slows the conduction of nerve impulses, resulting in co-ordination or vision problems, depending upon which areas of cells in the brain and the spinal cord are affected. Often new symptoms appear

with each successive flare-up of the disease. Following an attack the sheath, or myelin, may grow back, allowing the patient to recover from the symptoms. More often, new scars replace the destroyed myelin, leaving permanent damage. (Multiple sclerosis means "many scars.")

The attack on the myelin is perpetrated by the patient's own white blood cells. English Dr. Marie MacVie, a biochemist at Toronto's Hospital for Sick Children who researches the structure of myelin

"Somewhere, certain types of macrophages [white blood cells] get turned on to myelin. They develop a real appetite for the membrane and literally eat it away," MacVie's research indicates that the components of myelin "fit together intricately, like a Chinese riddle puzzle." If this fits break off and travel to lymph sites, they are treated like foreign matter, and the body's immune system mounts an attack.

Today most scientists believe that MS is a type of autoimmune disease, and a flurry of research seeks the agent that initiates the destruction

and the chemical bugs that could turn the process off. But the puzzle does not end there. Large-scale epidemiological studies—studies on the histories of thousands of MS patients—suggest that an outside agent probably triggers the immune system's bizarre reactions.

The most striking fact about the distribution of MS is that the disease shows warm region, reaching a peak in prevalence between latitudes 44 and 46 degrees, both north and south of the equator—then the high incidences in Canada. In a detailed study to be published next month, neurologist Walter Hafler, director of the University Hospital MS research clinic in Stockholm, reports 131 cases of MS per 100,000 peo-

ple in Stockholm. (In contrast, only 14 in 100,000 develop MS in Los Angeles.) What's more, U.S. studies strongly suggest that the triggering agent is acquired before puberty. These findings imply two things, says Hafler: a colder climate might keep an MS agent alive while a warmer climate probably kills it, and the agent remains in the body for years before becoming active.

Although MS is not an inherited disease, doctors have documented a genetic predisposition (Caucasians and women are at greater risk, and relatives of victims are eight times more likely to develop MS than others).

Slow-acting viruses have supplanted previous hypotheses about heavy metals or faulty fat metabolism as leading candidates for the onset of MS. A current and controversial theory is that MS can be transmitted by dogs. Sixteen years ago by the Strain Cook, of New Jersey, on MS in the Orkney Islands, off the coast of Scotland, correlated MS incidence with earlier canine distemper outbreaks. But others point out that Iceland, which has a high MS rate, has outlawed dogs in its cities for many years. Other candidates await the slow-acting viruses are herpes simplex and a measles virus, which have been found in the brains of some MS victims.

MacVie's treatment researchers are not waiting for the final answers from virologists and immunologists. MS research is proceeding on all fronts simultaneously. Doctors are cautious, however, in discussing new treatment approaches because foolish "cures"—such as snake venoms, injections, leeches and magnetism—have cost patients much money and disappointment. "We do nothing to treat the disease," says neurologist Stanley Hashimoto of the University of British Columbia MS Clinic, "although we use some drugs and physiotherapy to help



Ebers discovering new diagnostic tools

relieve inflammation, spasticity and bladder problems."

Hashimoto, among others, is watching a couple of new therapies now in clinical trials in the United States—with interest; plasmapheresis, a method of cleaning the patient's blood of antibodies thought to initiate the attack on myelin, and spinal injections of interferon, a natural substance that appears to fight viral infections and which, some researchers suggest, might be deficient in MS victims. Dr. Howard Weiner of Harvard University Medical School believes that the immune system holds the key to MS treatments. "Our overall goals are to devise effective means of altering the immune system—either putting a substance in or taking one out, so that the system won't attack the patient's brain and spinal cord."

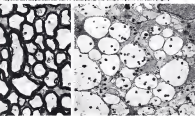
One area in which rapid progress is being made is in the diagnosis of MS

Research, an influential group of neurologists approved two diagnostic laboratory tests for general use among physicians. Until now, because diagnosis has been purely on clinical observation, most patients, like Tenner, have had to wait at least two years to find out what was wrong. But a new lab test, consisting of a blood sample in which a fluid and another chemical test determine how quickly neurons transmit impulses. Both will provide a quick diagnosis even when only one symptom has appeared. Although swift detection may be of psychological benefit to some patients, according to George Ebers, a neurologist at the MS clinic of the University of Western Ontario Hospital, and one of the scientists responsible for developing the spinal fluid test, the insensitive beneficiaries will be researchers who will now be able to follow the disease's progress from its first stages. Ebers hopes that these advances will eventually eliminate the uncertainty future MS patients face. While about 20 per cent of MS patients have a very mild form of the disease with few ill effects on their lives, another 20 per cent become helpless a decade after the first symptoms appear. Researchers are unable to predict whether or not the course of the disease will be mild or increasingly severe, or how long victims might be able to remain active. "The uncertainty can be overwhelming," says Ronald Kaplan, a clinical psychologist at Chedoke-McMaster Hospital in Hamilton, Ont. "Some patients learn to handle it, to plan their lives in a spirit of hoping for the best and preparing for the worst."

Given the large numbers of patients registered at the dozen MS clinics across Canada—all run by the national MS Society—this country provides fertile ground for research into the prevalence, causes and treatment of the disease. But a loss of a cure, some kind of miracle remedy would also be a breakthrough. Says Alister Fraser, national executive director of the MS Society of Canada: "What we have to look for are many things that might allow MS patients to lead a better life—something like insulin for diabetes that would control and modify the disease."

In the meantime, the best therapy may be the one Tenner has adopted: a positive attitude. When an acute, paralyzing attack landed her in hospital several years ago, doctors recommended a nerve block. "But," she says, "I decided to go home and deal with it." Deal with it she did—through the assistance of a physiotherapist and a hemicorset. Still, Tenner remains cheerful and optimistic. "Even after I lost the use of my legs, I didn't mind my knees, because the surgery I could do while again. I still haven't gotten rid of them." ☐

Myelin sheath normal nerve cells (left). MS shows axons of cells (right)



Anguish in the diaspora

By Susan Riley

While most of Canada's Jewish establishment continues to rally behind Israel's latest war effort, many Jews are privately anguished. For them, this war—perhaps more than any other in which Israel has been involved—is driving a nail to a hinge between a deep-seated instinct to help to Israel's defense and an abhorrence at what the Israeli army has been doing in Lebanon. Underlying it all is an acute, personal awareness of the anti-Semitism that persists, not just among Israel's enemies but as the world at large. "I have a strong Jewish identity," says Miriam Gorfinkle, a 58-year-old family physician in Toronto whose father and mother both emigrated to Israel some years ago. "But I also have strong humanitarian values and I've been shocked at the killing of civilians. I can't express how torn I have felt by this war."

Many—but not all—of the Jews who feel this way are young, Canadian-born and moderate or left-leaning. According to Deane Helman, a 58-year-old Montreal native, now a freelance writer in Ottawa: "Every Jew is brought up with two things as part of our internal consciousness—the Holocaust and Israel. I can't stand what's going on there, so that that's not Israel, that [Israeli President Menachem] Begin."

The distinction—between the ideal of a Jewish homeland and the reality of the modern-day Israeli state—is as important, one for 30-year-old Toronto lawyer Rob Kellerman, organizer of a mostly Jewish antiwar demonstration in Toronto last week. "I don't suggest Israel disarms or disappears or not defend itself when there is a real threat," he says. But, he adds, that war is a "totally unacceptable" overreaction, a futile attempt to stop terror with more terror. "Of course we also oppose the bombing of the Israeli settlements [by the PLO]," he says, "but that will continue until Israel decides to negotiate with the Palestinians." If Israel allows the PLO to form a government in Lebanon, he points out, it will just spring up somewhere else, creating more serious kinds of terrorism.

But what is going on is more than just an argument over tactics. Tens of thousands within the Jewish people—Justin Frosman, a scholar at a large Toronto synagogue, survived the German concentration camps, and like many of his generation, believes the Jews must "never let us be again." The shadow of the Holocaust falls on

younger Jews, too. But for Laura Sky, a 36-year-old Toronto film-maker and socialist, "most unacceptable pain [the Holocaust] does not justify creating another unacceptable pain. It doesn't justify Jews rising up and doing to others what was done to them." What is going on in Lebanon now is "genocide," charges Sky, who, with friends on the left, is sympathetic to the Palestinian cause. "I can't deny the Jews a right to a homeland but neither can I deny others their rights," she says. Those sentiments, she says, are popular in the mainstream Jewish community.



Toronto Jews demonstrating against invasion, giving up the Jewish people

and Sky recognizes that. "If you're a Jew and you disagree with the state of Israel," you are accused of being anti-Semitic," she says. "But I feel it would be wrong not to speak."

But not all opponents are so outspoken. Peter Friedman, a 36-year-old computer programmer for a Toronto insurance company, is neither a liberal, nor a political activist although he describes himself as a Jewish socialist. Like many traditional Jews, he and his wife keep a kosher kitchen and celebrate the high holidays. Even though he has lived in Israel, along the disputed northern border, and wonders if his homeland, he, too, is "deeply distressed" by a war he feels Israel might win militarily yet lose politically. "The question I ask is, 'Why?'" After many conversations with friends, he believes Jewish community leaders in North

America may be taking a harder line on the war than do ordinary Jews.

However, there are indications that this might be changing. Last Friday no less a figure than Edgar Bronfman, Montreal-born head of the Seagram Company Ltd. and president of World Jewish Congress (WJC), and that Israeli, having broken the PLO militarily, must now face up to the Palestinian problem and seek peace with the Arabs. He did not go so far as other internationally known Jewish spokesmen—former French premier Pierre Mendès-France and former WJC presidents Nathan Goldmann and Philip Klutznick—who, two weeks ago, called for mutual recognition of the PLO and Israel. But Bronfman indicated that it will come some day.

Yet Canadian Jews opposed to the

war take more heart from the peace movement in Israel itself, where thousands turned out to demonstrate in Tel Aviv earlier this month. "It shouldn't take much courage for us to criticize the government of Israel when people there are doing it—and during a time of war," says Kellerman. For Susan Bulkin, it is important that Canadian Jews who see antiwar speak out, so non-Jews will realize that Jewish opinion is not monolithic, that Zionism is a word with many shades of meaning, and that it is possible to criticize Israel without being anti-Semitic or anti-Israel. "Some of my friends wonder when I tell them I have been so upset that I can't sleep, or that I dreamed about a dead Palestinian baby," says Gorfinkle. "But the reason you feel so strongly is that you want human life, good life. You want people to live!"

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Offices in the bedrooms of the nation



Thyres and family at work: \$100,000 worth of equipment just an island off at home

By Victor Padoy

Kent Harding, chairman of H. Harding and Son Ltd. and employer of nearly 280 factory and office workers, will soon be running his Marikana, Ont., manufacturing empire from a room that, at the moment, looks and smells like a bedroom. Then an executive office. Harding is about to move his office home—a decision that may signal the beginnings of a computer-assisted corporate shift back to the bedrooms and dens from which executives usually emerge each morning. In Harding's case, the metamorphosis began this fall when the room, now serving as a doghouse for his rare white Rottweiler pup, is transformed into a workplace complete with the requisite office furniture and a personal computer. With the terminal hooked up to the head-office computer and with his needed privacy—a scarce commodity at the office—Harding expects his efficiency to increase 80 per cent.

Given the recent union of microelectronics and computers, many more will soon have the option of telecommuting—plugging into a computer or word-processing machine after a 16-second commute from the bedroom to their home work station. In the jargon of cul-

tural sociologist Alvin Toffler, the "electronic cottage," marrying work and home under the same roof, is about to be moved into the mainstream of the nation—a transformation, Toffler claims, that would be nothing short of a "revolution." Already, government and corporate heads, as well as independent, are questioning the wisdom of dressing up in business suits and driving public and private energy dollars into the phenomenon. In fact, says Eric Tritz, a professor in the faculty of environmental studies at York University, "what we haven't even begun to work out of the implications."

"It's a scary time," says Jim Means, chief of the quality of worklife unit at the federal Treasury Board. Means points out that government has yet to develop a policy on the work-at-home phenomenon, leaving many questions unanswered.

"What about workers' compensation?" she asks. "If somebody is injured at home, who pays?" Questions about overtime pay trouble the Canadian Labour Congress, obviously concerned about its po-

litical clout in a diffused labor force.

Big business, which may have the most to gain as a society in which computers replace secretaries and bosses of firms embrace easily corporate expansion, is nonetheless cautious about trumpeting telecommuting power. Perhaps the main reason why business and insurance firms—among North America's most technologically sophisticated businesses—have not yet embraced the work-at-home principle. Though Crown Life Insurance Co., for example, has portable computers in nearly all of its 65 regional offices, it has no plans to transfer them to the sales agents' homes, which would eliminate district offices and their high overhead. "We don't want to lose too much in the hands of sales people," says Scott Lee, Crown's marketing research analyst. Even so, Canada Ltd., for many synonymous not only with computers but with change, is reluctant to decentralize its work force. Computer terminals have been placed in some of its managers' homes but only, insists a company spokesman, "as an extension of the office"—meaning only for evening and weekend overtime.

Less intimidated by office politics, a few individuals are beginning to move their homes with Melkonian and Alex Wright, president of Dollar Insurance Inc., runs his Toronto financial consulting company from his wife's home. Though they are currently separated, he sees it as a way of keeping in touch with his family. Wright has been completely captivated by comput-

Wright, sleeping in lock with the family



erized homework. "I can literally move my office by pulling the plug on my computer," Alex Wright, a corporate pay-changer with the Toronto manager's firm consulting firm of Harding-Johnson Ltd., says his soon-to-be purchased personal computer will not only save him tax dollars but will give him more flexibility. "I'll be able to work on my own during the day and spend five evenings a week on the job at home."

The traditional freelance professions are also making way for more work-at-home newsmen. A historian who teaches at the University of Toronto, Prof. Mel Tyne, researches the pharmacy archives from his home laboratory, located on Snake Island in Lake Simcoe. With a personal computer, an island full of trees, and about \$100,000 invested in meteorological equipment, Tyne says he is able to conduct experiments that no one else can do.

The disabled, among the chief beneficiaries of work-at-home programs, will join the select telecommuting circle next year when the federal department of supply and services installs two computer terminals for homebased people, allowing them to do their clerical work on-line rather than having it brought in and picked up.

Home-based work, to be sure, did not surface with the personal computer. Only in the past 200 years have large numbers left their home offices or home-based shops for the assembly-line factories and centralized corporate offices seeded by the industrial revolution. And if the computer did not hatch homework, neither will it yield the final period on the subject. Octavio Gonzalez, for one, gets along very well without a computer. What he cannot seem to get enough of is space. Gonzalez, a Toronto architectural designer, has work studios littered with blueprints, drawings and four core modals from the basement to the third floor and a room of the 315-year-old house that he shares with his wife. He conducts business meetings from a second-floor sitting room which looks out onto the quiet, tree-lined street below. "It relaxes them," he says.

It also gives him energy. By using much of his house as convertible office space, Gonzalez is able to deduct up to 30 per cent of his basic costs—including mortgage, electricity and furniture—as business expenses. Consider, who has designed and built several homes incorporating work space for a doctor, a dentist and a few businessmen, shares the view that specifically designed work areas will soon be as common in suburban as family rooms are today. His wife sees his homeworkaholic tendencies as a mixed blessing. "It's not easy, but I'll support it for the sake of my efforts, as might as well be separated."

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It will take a particular kind of person to thrive in a world in which work and family life distinctions blur. Those mesmerized by an electronic-orange stops a few years hence would do well to follow the examples set by country's most successful work-life balance advocates—people such as Patrick Crowley, whose parents are film-makers, remembers his many evenings at home when "a bunch of guys would just come for supper, get drunk and talk about Rialto Island while watching life-size videotapes of their parents at work and home as if they no do his parents. Recent director for the Canadian Film Institute, Crowley works and meets business associates at his Toronto home while juggling laundry, cooking and shopping chores for his family. "I don't see any harm in it," says columnist David Davis doubts that he will ever give up his independent way of life but cautions that there is no emotional blueprint for work at home. It took him about two years to develop a multi-tier duty pattern, which includes leaving his home at 7 a.m. for his morning commute to nearby shops and cafes to catch up with nagging merchants.

Isolation has been the death of many a work-at-home dreamer: University of Victoria computer analyst Elisea Keogh labored for nearly a year for IBM during an informal home-based project in the mid-1970s. Operating a computer terminal hooked up to IBM by a telephone in her basement, Keogh soon realized her dream of freedom was just that: "Nobody could call me anymore because I was always on the phone. I was turning into a mole."

Indeed, Miriam Belz, a New Jersey artist, perceived such a cluster for interaction among her work and the two artists on the site, which included the National Alliance of Home-based Businesses. Now combining more than 800—from animal feeders and astrologers to anthropologists and antique dealers—and including a handful of Canadians, the alliance has been a success. "I met Dr. Bruce Clements of North Vancouver, a single parent with a home-based travel business and secretarial service, took forward to the day when Vancouver will have its own chapter. 'I need to be able to pick up the phone or walk down the street and call someone,' I have. It's clients who want to do that work," she says. "I don't know how to do it," she says. "I used that personal contact."

Until that need for social and professional intercourse is fulfilled, working at home will attract only the most independent of spirits. As for companies hoping to cash in on the coming transformation, it is likely that they will first have to pave the way home with a whole new range of employee perks. ☺

TRAVEL

Michelin's stellar Canada

By Wendy Dennis

Every traveler in Europe packs them along with his camera and servicable walking shoes. Right-seers in every tourist haven from Marseille to Milan carry them. Michéas's skinny green guidebooks, famed for their prodigious research and measure, if somewhat characteristic, prose, have charted European sights since the toy company first began producing the books at the turn of the century. Since then, the collection of 33 French and 57 English volumes series has become one

Close to 30 individuals worked on the project which sent two anonymous research teams across the country to markets and hired checkers to walk the 50-add city plans and drive the night 16-day road trips. Around 50-60 at the English-Canadian/American and the French-Canadian/European markets, the book is already into its second printing and is currently enjoying an unanticipated surge in demand in French Canada.

Carle claims that a mere mention in the guide constitutes an honor, since only half the visited sights are covered.



The Calgary Stampede joins Winnipeg and Ottawa as three cities to host a curling event

ential for serious travellers. So prestigious are the Michelin stars, particularly in the guide's ranges, which rate restaurants and hotels, legend holds that chefs jubilate themselves when stripped of a star. That it was not without regional apprehension that many Canadians greeted the release of the first green guides for Canada (one in French and one in English) last month

Six years in the making, the Canada grade is the biggest project ever undertaken by the company, according to Michel Carls, Canadian director of Nichel's advertising department. At the time Michel realized that Canada had the tourist market and the company had the local infrastructure to carry it out. Only the third North American effort after guides to New York City and the New England states, the book costs the same as most at \$4.95 but covers far more territory.

Yet many hearts have been broken, most notably on the Prairies. Seven states across the country have received the much-ballyhooed triple stars meaning "worth the journey." But Edmonton and Calgary warrant only two stars, according to Maclean's researchers—only "worth the detour." Comparing his town to a celestial clip pinned to stork's head in the oven, Edmonton Sun columnist Doc Warragan responds dryly, "We live in a merely lovable city. Westerners are not so likely to be impressed by this town as they are by its low-breathed alternative in its Stupid-ness: 'What me I say?' shrieks Carle Calgary's most famous."

Winnipeg, apparently, is. The surprise three-star honor bestowed on the city, which ranks it, in Michelin's terms, with the world's best, has shocked just about everybody. In Edmonton John Lawrence, director of travel development,

for the city, sniffs, "I guess you have to stop somewhere between Toronto and Vancouver." Only Winnipeggers, weary of insisting that their city attracts more than snow and mosquitoes, were strangely unperturbed. "We've been telling our colleagues in Eastern Canada this for a while," says Bob Bridg, director of marketing for Travel Manitoba. "If they don't believe us, maybe they'll believe Michael."

[illegible]

Michelle considers no Canadian visit during the Stanley Cup season complete without attending a hockey game and, commonly, informing tourists to Toronto that shopping at Eaton's and "its rival Simpsons" is an "essential part of life" for that city's inhabitants. In the culinary interest category, New Brunswick's Saddleheads and Newfoundland's Rapper got washed down by "scrunch" (a pun on the word "scrunch") and earned honorable mentions. And the section ends with a claim destined to make all honours proud: "Canadians are great beer drinkers."

Future editions will correct any errors that researchers failed to spot and may take into consideration the complaints of various travel and site administrators. However, Canadian hopes for a complementary restaurant-and-hotel red guide have already been dashed. The task of updating ratings in a country as large as Canada is apparently too massive a job for Macheval.

Meanwhile, Michelin is expected to steer newcomers to another three-star venue: Grosvenor, which to some is merely a bureaucratic backwater, or, according to guide researchers, steeped in charm despite the "lack of imposing architecture, vastness and grandeur of other world capitals." Reports a perplexed Allan Fotheringham, who has visited Grosvenor for the city in the past: "Maybe they just left the impression of charm."¹²



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[illegible]

Special effects: the brightest new stars

By Lawrence O'Toole

The tale is an ancient one—good battling evil—but told in the language of tomorrow. The hero, a computer wizard named Flynn (Jeff Bridges), seeking for a stolen program, is whisked via laser beams inside a computer. The villain—motivated by the age old lust for power—is actually a computer program, Master Computer Program (MCP), who controls a world of hardware that shines with a futuristic glow. The two face off on a battleground of grids and circuits, sparkling with the auras of energy fields, deep within a computer. The story is that of *TRON*, the \$20-million extravaganza that Disney Studios fed into theaters across the country last weekend, printing out some of the most mesmerizing imagery the moviegoing eye has yet beheld—more than half of it generated by computer animation.

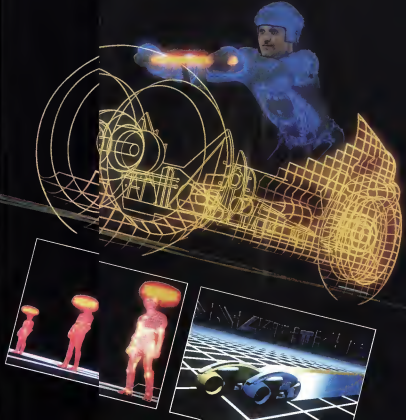
Told countless times before, the story has never been illustrated with such visual wizardry. *TRON*, a landmark in the creation of movie illusion, presents a sea of exotic opticals, all rendered in electronic panels of green, pink and blue. In this tiny universe, Flynn and his allies (Bruce Boxleitner and Cindy Morgan) try to avoid "re-two-inton" (death) and literally beat the system. MCP, a cousin in filial of *AI*, a Square Object's green bag for its hips, MCP is the dark soul of a new machine, arranging gladiatorial games for its amusement. A "light cycle" race that zips across a battleground of grids, tapping the viewer's eye with its lightning switches in perspective, highlights the combat. On the more poetic side, a butterfly-shaped "solar sailer," pulled by an electronic line of light, takes us through this strange inner space.

The most fantastic voyage of all, *TRON* has arrived where what could be termed the Summer of the Special Effects. Indeed, radiated by the blinking lights of the fantasia, the film industry is enjoying the most successful box-office period in movie history. In a mat-

ter of a few weeks four movies, all of them relying on special effects for their magic and Midas touch—*E.T.*, *The Ewok*, *Terrestrial*, *Star Trek*, *The Wrath of Khan*, *Polyester* and *Firefox*—have grossed \$210 million. The stars of this summer are a squad, not so handsome, creations from outer space, a fire that flies to feast on little boys, flying bicycles and ghosts gingerly making their way down the stairs of a suburban home. At the moment, these are what twinkle brightest in Hollywood's firmament. As Paul Newman once remarked when asked what he thought of his predecessors, "What do you expect me to say when the biggest stars are a shark and two robots?"

At 35 a ride, special effects are, quite simply, the cheapest transportation back to childhood. Whether they make Superman fly, create warred extraterrestrials, or have the planets playing hide and seek, they render our reality. At a time when people might feel cramped, economically and spiritually, they provide us escape into the expansive artifice of the imaginative world. The audiences seem to be scanning the skies and looking into the future for heroes who don't exist in the here and now. Special effects movies provide heroes with pluck, villains with horror, and everyday life with a sense of wonder.

Since the mechanical shark in *Jaws* kept the populace out of the water and *CHOP* and *REAR VIEW* charmed the crowd, the new know-how of special effects has made the oldest daydreams—and nightmares—come true. What used to amuse has slipped into the commonplace: the parting of the Red Sea in *The Ten Commandments*'s scenes in retrospect as awesome as the parting of chaise curtains in *Close Encounters of the Third Kind*, *Blade Runner*, generally considered the special effects genius of our time. Each audience is getting more reasons for excitement. "We may be headed toward a new era of verkintense, high-impact, visceral, compressed feature films of only an hour in



The brave new world of *TRON*: some of the most mesmerizing images ever

length," he says.

What is definitely heading toward us in the new future is a continued proliferation of movies infused with elaborate opticals and complex mechanical effects. *Armageddon of the Jedi* (the third installment of *Star Wars*), the four-part *Twilight Zone*, David Cronenberg's *Videodrome*, *Twister*, *Die Hard* from Frank Marshall's increasingly successful series of action flicks, and Trumbull's *Armageddon* (Mulan Wood's last picture) Due east you go the \$125-million *Armageddon* (Columbia Pictures) latest fiery ride into the

de physico[s]. So bright is the future that Mathematical Applications Group, Inc. of Kentwood, N.Y., responsible for much of the computer imaging in *Twister*, has recently set up film-production offices in California, and it is not difficult to imagine the growing number of other computer companies following.

Computer animation is not the only route Steven Spielberg, whose movies have probably employed more special effects than those of any other filmmaker, says. "We're heading to high-resolution tape, holography and digital

rethink[ing] will not be such a headache," he explains. "When movie work is treated cinematically in the lab there is always a small amount of shakedown or expansion, which the digital printer will eliminate." Digitizing will do away with traces of blue-fringing (matte are done on a blue screen), which is what you can detect between Charlize Theron and the perching Red Sea in *The Ten Commandments*.

The day may not be too far off when laser holograms will plank an audience into a movie's action without resorting to the old 3-D process. Douglas Trumbull has already developed a new process called Showscan, which he claims "might be the beginning of a new motion picture industry. It's a giant screen process whereby high-speed photography and projection creates a tremendous 3-D effect. The surface of the screen will seem to disappear." However, others are huge in experiment with the more traditional blue-screening and matte-control process. Richard Edlund, responsible for the flying objects imploding house and other wild fantasies in *Pollux*, says that those techniques "are still essentially the two basic tools in the business and they have yet to reach their highest heights."

Having set up so many camps, special effects has become an industry unto itself. The tent of the industry is George Lucas' facility in Marin County, Calif., Industrial Light and Magic, which has been responsible for the lion's share of movie images in the past few years. In addition to the current *E.T.*, *Pollux*, *Argo* and *Star Trek: The Wrath of Khan*, ILM has provided the scenery for *Raiders of the Lost Ark*, *Dragonheart*, *The Empire Strikes Back* and *Star Wars*. While ILM currently works on *Armageddon of the Jedi*, a "No Vietnam" policy bars the company from its doors. After all, Mercury never recontemplated taking Chrysler about its fan. Considering the movie involved the competitive spirit among effects companies isn't surprising. Also joking for the big time, and getting in, is Trumbull's company, Embertan, most known for, which orchestrated the glitzy city for the *Blissful Blue Heaven*, a futuristic vision of Los Angeles in which airborne police cars took part

Yoda's opticals are forgotten, personally like on

This summer, however, *Twister* is at the forefront. While no great advance in the art of narrative or acting, the film goes the limit in what is now possible technically in the movies. The computer "photograph" images that could not be otherwise shot, such as objects passing through one another. Controlled by an operator at a console, the computer, supplied with the information on shape and color desired, essentially connects all the dots of light (pixels) in the image with a laser beam and microsecond accuracy. For an inch of clarity possible, there are as many as 24 million pixels in each frame of *Twister*. "For the right information," says Taylor, "the computer can do things with perspective and texture that are impossible to

film." What will soon revolutionize the movie industry, according to both Richard Taylor and Gary Kurtz, is the digital film printer, replacing traditional opticals. "It will digitize the original film shot by a camera so that the new digital image will have greater definition," says Taylor. "In one day it will accomplish what now takes two weeks, and at half the cost. It has literally competitive anything."

Kurtz says it will be a while before the digital film printer is cost effective but agrees that once it becomes it will save a tremendous amount of time. "That's work [a printing company] into film after it has been shot, which is then

viewed the scenery for *Raiders of the Lost Ark*, *Dragonheart*, *The Empire Strikes Back* and *Star Wars*. While ILM currently works on *Armageddon of the Jedi*, a "No Vietnam" policy bars the company from its doors. After all, Mercury never recontemplated taking Chrysler about its fan. Considering the movie involved the competitive spirit among effects companies isn't surprising. Also joking for the big time, and getting in, is Trumbull's company, Embertan, most known for, which orchestrated the glitzy city for the *Blissful Blue Heaven*, a futuristic vision of Los Angeles in which airborne police cars took part

'Star Trek: The Wrath of Khan,' the award transportation back to childhood

Gordon with masks for 'The Thing' (above), bedroom scene from 'Poltergeist'

cinematic electronic billboards. Though in some respects it may have become easier to create certain effects, it has not become cheap. At *Apocalypse Now*, John Trumbull, who Trumbull trained and with whom he worked on *Star Trek: The Motion Picture*, is busy working on a new TV series called *Star Trek: The Next Generation's* *Enterprise*. *Enterprise* flipped through a wall of \$5.5 million creating the supreme jet of the title. For that, he created a new blue-screen process to make the plane look shiny against the clouds. "That's just don't go down," says Trumbull. "A lot of it goes into the color and the rest is accounted for by inflation." The mechanical creatures in *The Dark Crystal* will cost \$7 million, using about 50 people to operate them. "There are as many as 10 creatures on the screen at any one time, each operated separately, which is a logistical nightmare—and expensive," says Gary Kurtz. Don Bluth, who spent \$7 million on the animated *The Secret of NIMH*, which is basically all special effects, says, "It takes an incredibly long time to get the drawing, acting and colors blending perfectly in a situation. The time cost up money." On his next animated feature, *East of the Sun, West of the Moon*, he will spend \$11 million.

Expensive paintings, special effects have had new vistas opened for them by computer, digitizing and Showscan. But they have not really changed in theory. To create something outside or extraordinary, that thing must be reduced in size as microscopically as possible. Consider the pool, with it *Twister* goes the greatest distance into the new in fictional movies special-effects men down about. With *Twister* we are getting closer to watching angels dance on the heads of pins.

Canada passed through the eye of a needle in 1960, which made special effects artists looking into the water that cleared the path toward the present Golden Age. What most people do not know is that Canada's National Film Board was instrumental in creating the revolution sparked by 1961. In 1960 the NFB produced a short film called *On the Water*, which 2001's author, Arthur C. Clarke, saw and advised director Stanley Kubrick to see also. Impressed by its special effects, Kubrick became inspired by their possibilities in 1961. "There's a" says its co-director Colin Low, "experimented with motion control and synthetic imagery. Kubrick wanted me to work on 1961, but I was busy on a new film, *2001*, so I put him on to a graphics company in Los Angeles." The efforts in 1961 saw their success, partially, in a process developed in University—wherein reacting on large glass slides, shot by a variety of powerful lenses, producing such staggering events as moon explosions

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At the graphics company Kultrick came into contact with Douglas Trumbull. Eventually, Trumbull did the movie's "realizing light show," for which he developed the slit-scan device, allowing the intensity and color of light to be variously manipulated. The result was the largest and most complex light show anybody had ever seen—and all because of focusing on the minutiae of lighting.

Richard Edlund's work in *Pollux* is a stunning example of the drama of attending to detail. The movie represents the apocalyptic of focus: in the last scene of the word "In the bedroom scene with

the flying objects, the people in the foreground had to be muted into the shot," he says. "Each of the 38 objects flying around in the room had to be shot separately, then photographed moving through motion control, then mated into the scene using blue-screening, and then we had to match all the light qualities for each object." Compared to the bedroom scene, however, the process of getting the miniature house to explode was, in Edlund's words, "a real breeze."

While opticals rely on miniaturiza-

tion, another special effect, make-up, relies no less on detail. Since the night-makeup changes showed the 7 faces in 1989's *Planet of the Apes*, make-up has increased in sophistication, from John Hurt's *Elephant Man* to Rob Bottin's on-screen transformations of man into werewolf in *The Howling*. For these transformations, Bottin utilized extraordinarily detailed, lifelike human puppets at the crucial moment. "Even the pores on the puppets had to be perfect," he says. "The hairs on the ears had to be just right."

Through a system of hydraulic and pneumatic devices, the bones changed shape,

objects, they seemed to move by themselves. The sophisticated work has been seen in countless movies ever since. So that clothes could move naturally by themselves, a stunt team was dressed entirely in black against a black background which, when shot, was used as a matte and formed a composite with the live action.

Since *White and the Seven Dwarfs* (1937), Disney's first feature-length cartoon used multiple shots: new multipane shots new reconstructions in animation. In a multi-plane shot, the camera pans down through layers of painted, transparent film arranged on multilevel shelves so that the camera appears to move through the action.

From the 30s onward, special effects evolved, aided by increasing technical sophistication. During the war years aerial effects and explosions were obviously very much in vogue. Fantasy films returned in full force during the 1950s and 1960s (and somewhat parodied 50s: *The War of the Worlds*, *The Day the Earth Stood Still*, *When Worlds Collide*, *Fantastic Planet* and the Japanese horrors known as Godzilla and Robos). The craft's renaissance arrived in 1968 with Stanley Kubrick's *2001: A Space Odyssey* (see main story). Technology's eager thrust led to what could be dubbed the Golden Age of Special Effects, the vanguards of which include *Sherlock Holmes*, *Close Encounters of the Third Kind*, *Superman*, *E.T.*, *The Thing*, *Raiders of the Lost Ark* and *1984*.

Throughout it all, the rule of thumb has remained unchanged: to get the bigger effect, you have to keep making things smaller and smaller—until they're no tiny as people

—L.D.T.

It was all an illusion

Since man discovered the "illusion" of film, special effects—from the very basic, such as fade in and out, to complicated mating, projection and projection—have been the movie's bread-and-butter. As early as 1896 in England's named G.A. Smith was experimenting with trick photography. Another Englishman, Robert William Paul, built one of the first film studios in Rangoon in 1897, later specializing in such effects as ghosts, goblins and gnomes. Some of the highlights in the early history of special effects include:

A Trip to the Moon (1902). Generally considered the first bona fide special-effects movie, Georges Méliès' flight of fancy used fast, slow and stop motion, multiple exposures, dissolves and fades.

The Man from the Sea (1905). A couple in a car slips off the face of the Earth and takes a spin around the rings of Saturn.

Shepherd (1923). Tom featured the first full-on, multi-screen, double exposure. Later glasswork and photoelastic were created by Willis O'Brien for *The Lost World* (1925). Made of rubber, wood and wire, they were animated frame by frame and terrified audiences.

The Thief of Baghdad (1925). It had an underwater sequence, shot "dry" in a 25-m tank in which everything, including the kelp, moved by wires. The film included a carpet that flew, later seen to better advantage in the 1940 remake, which added a gipsylike peek and a flying horse.



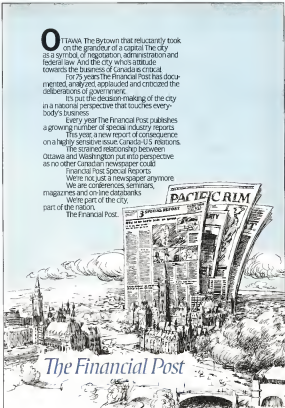
King Kong (1933) A lot of gorilla, he was only 45 cm tall

was. The 1938 remake opted for the gothic cast of the original. *White* (1937). Fritz Lang's futuristic city employed the Steinhilber Process invented in 1925, which combined live action with animated reflections of models and painted backdrops. The process advanced the glass shot, a painting on a sheet of glass placed in front of the camera to blend in with a scene behind it.

North's Ark (1936). Following water from tanks onto a set created a flood, lifting many of the extras. In Hitchcock's *Foreign Correspondent* (1940), a camera was placed outside the cockpit of a plane as it was about to crash into the sea. Water was released from tanks just as the camera lens through a very large sheet of paper to simulate the impact of the crash. In the 1959 *Ben Hur*, the great sea battle was filmed in a studio tank with miniature ships.

Kong Kong (1933). A lot of gorilla, he was actually 45 cm tall—the first model with metal, semitransparent and half-and-half joints. Kong was the first model to use miniature projection, whereas models, instead of live actors, are placed in front of projected scenery.

The Invisible Man (1933). Since nobody saw the man lifting or shifting





COVER

claws sprang out and—boom!—a well-well was born. For this summer's remake of *The Thing*, Bittin created a jangle of vacuums no longer was the monster a "walking barrel," as an actor had once claimed, but noticeably changed shape. The carot went through the Cosman.

A controversy has developed, however, over Bittin's make-up credit, which has been taken away by the make-up union to which he does not belong, because he worked with "non-living things." It is proof perhaps that special effects have come of age as an industry when this kind of infighting begins. Says Bittin, about to begin work on *The Twisted Zone*: "I do wish they'd find a name for what I do. I seem to be in, at the twilight zone."

No matter how the late the twilight zone special effects trend, it is likely that they will always rely on human creativity and a dollop of chance here and there. The gruesome sawings with a penknife for killing or human brain created by Ken Ralston for *Star Trek: The Wrath of Khan* were mechanical, not optical—rod puppets with a mechanism in the jaws to give them their gruesome originality. "That mechanism," Ralston confesses, "in actually a tea strainer I found in a coffee shop. I bent it a little, cut it a little, and then stuck it into the man's little mouth." When the mosquitoes hired for *The African Queen* in 1956 turned out to be loopy performers, Cliff Richardson came up

with the idea of stirring up some tea leaves in clear water as a substitute. Both these special effects show human savvy, not technological triumph.

In fact, what is pulling the bulk of the audience into theatres this summer is personality in the form of a handsome, mechanical special effect: E.T., who is

tamed magnet for some of E.T. walking. Perhaps the most beloved creatures of all time, aside from E.T., are the robots GIPPO and R2D2 from *Star Wars* and Yoda from *The Empire Strikes Back*. What they share with E.T. are qualities that are dead-end human. It is a safe bet to say that audiences respond, ultimately, to the personality created and not to the mechanical effect. Long after the opticals are forgotten, the character will be remembered.

Whether or not the current mania for special effects will last as long as our memories of those fellows is anybody's guess. Says Frank Marshall, producer of *Pollanator*: "The audience has been conditioned to expect special effects by now. If it doesn't get them, it'll be disappointed." John Dykstra is not sure whether or not the infatuation will continue. "The average audience is very fickle," he says. "What we can be sure of is the power of the real, which we sometimes confuse with the ordinary. Dennis Hopper, who did the opticals for E.T., makes a real confusion. 'The failed optical shots at the end with the kids flying on bicycles didn't look as

good as the people running across the face of the moon.' The reason for that is very simple: the moon was real and every bit as dazzling as all that terrible technology."

With *gifs* from Anne Thompson in Los Angeles, Nicholas Jennings and Shona McKee in Toronto.



2001 (top), making of *TRON*—an imaginative world

as his way to becoming the top water-maker of all time. Designed by Carlo Rambaldi, who was a consultant for the second *Kong*, E.T. is from rubber, fiberglass and polystyrene, controlled mechanically and electronically for facial and body movement. But no imagination as he is, the movie-makers were forced to fall back on the human quality—a con-

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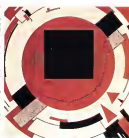
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The lost art of Russia's avant garde

The art of revolutionary Russia has been doubly forgotten: overlooked in the West in favor of Puritanism and German modernism, and suppressed at home in the Stalins who found it decadent. Now, for the first time in the West, the full flowering of that movement can be seen in an exhibition, organized by the Guggenheim Museum in New York City and on display, in Ottawa at the National Gallery until September 10. *Art of the Avant-Garde in Russia, 1915-1934*, from the George Costakis Collection. For 30 years it was the passionate quest of George Costakis, a Russian-born Greek who worked as a minor official at the Canadian Embassy in Moscow, to ensure that art from oblivion in doing so, he has rewritten art history, revealing a scope hitherto unrecognized in what was probably the most radical period in modern art.

The 300 paintings and drawings by 45 artists on display in Ottawa represent only the tip of the legendary Costakis collection, which now comprises about 1,600 works. That, in turn, is only a fraction of what he amassed. When he emigrated to Germany in 1937, Costakis had formed to leave 80 per cent of his collection in the Soviet Union. By that time, he had amassed the world's largest private holding of Russian art, rivaled only by a few Soviet museums.

Born in 1912, Costakis collected Dutch old masters, Russian silver and carpets as a young man. Not until 1934, after he fell in love with the serene beauty of Olga Rozanova's *Green Stripe* (1917), did he plunge into his pursuit of the modernists, assembling his earlier collections in the process. Not surprisingly, he had been acquainted of the movement before then. Throughout the '20s the avant-garde had fallen gradually out of favor; the official decree of Socialist Realism in 1934 effectively dug its grave. Ironically, the avant-garde artists, many of whom had supported the revolution, were denounced for being out of touch with the masses. One brilliant



Kazimir Malevich, 'Unfinished' (1919-20) in black with red.

proponent, Gueorgui Kiselev, died in a labor camp in 1934. In such a political climate, even collecting the art was not without its danger. Still, Costakis sought out all living modernists, their relatives and friends. Advised by art historians to concentrate on 18 well-known figures, he instead discovered 68.



Vladimir Mayakovsky, 'Composition' (1927) in original style.

forgotten ones. Helped by other collectors, he snaggled up most of the art cheaply. He obtained one painting by Leonid Popova by replacing it with a piece of plywood; the work had served to cover a window.

Until the First World War, Russia had always been on the receiving end of European culture. But cut off from the West during the war, Russian artists took the lesson of modernism to a new extreme. By paragon of the figurative imitations that still cling to European abstraction, they progressed, to a remarkable degree, the New York school of abstract painting that emerged after the Second World War. Within the always fractious avant-garde, some artists adopted themselves behind Kazimir Malevich, founder of the Suprematist movement. Thought at the time to signal the end of art, Malevich's paintings of pure black squares, one of which is in the exhibit, are exhilarating icons of a new religion. Similarly, the crisp geometric forms and flat planes of black, white and primary colors used by his younger associate, El Lissitzky, the century's greatest innovator in graphic design, suggested a radical break with tradition.

The other titan of the period was the Constructivist Vladimir Tatlin, whose iron, glass and wood construction have survived only through his drawings, which can be seen in the exhibit. Also on display is a rare work from that school, Osh Bronzov's *Construction* (1929), by Alexander Rodchenko. In the beginning the Bolsheviks encouraged the entry of the avant-garde into politics and everyday life. It was the first and only time that political and artistic revolutionaries have matched arm to arm. During that brief period of harmony, Tatlin, Lissitzky, Rodchenko and others put abstract design to work for the revolution. They created directly for the masses and posters, and even painted directly on trains and shops to educate an illiterate peasantry. In Khlebnikov's *Reds* (1920), elegant, collapsible platforms built for a Constructivist congress

in Moscow, the work became both an element of design and a tool for propaganda.

For a time the theatre became the arena for the artists' hopes of creating people. The exhibit contains a full-scale reconstruction of Leonid Popova's stage set from the Vsevolod Meyerhold's 1922 production of the *Mayakovsky*. One of his most innovative and daring parts he had changed the whole direction of stage design.

A remarkably versatile artist who died in 1924 at the age of 35, Popova is the most interesting of all whose work has recently been because of the Costakis collection. Costakis defends some of the lesser known artists as if they were his offspring, demanding that they be



Popova's costume design for 'Cavalcade'.

recognized on a par with Lissitzky, Malevich and Tatlin. Yet of those he championed, only Popova created a style to rival the giants in originality, as seen in the dynamic, interesting early planes of her *Compositions* (1921). Ivan Klav's eccentric shapes and full range of constructive (ask the rigor found in Malevich's work). Similarly, Klav's paintings and drawings, which resemble those of Lissitzky, never achieve his vision of boundless space.

In re-creating these works, however, Costakis has changed history's view of Soviet art between 1915 and 1934 forever. What once appeared as a few solitary artistic peaks has been broadened to a high plane of continual creativity. His efforts have restored the tragically wasted talents of a lost generation to their rightful heritage. —Paul H. Davis

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The nation's need for weaning

By Dalton Camp

The last night, as readers with total recall will remember, I had the opportunity to fill this hollowed space, as resident correspondent, A. Wetherington, was feigning illness in British Columbia. No longer impaired, Pothornham has long since returned but has now taken over 30 days to write a scholarly treatise entitled *Certain Recollections Among Eastern Shorelines and Liberal Candidates in Western Canada*, including a final chapter in the wrap-up of our present national, international and global conditions under the general heading of "Where Did It Go Wrong?"

I believe I can be of some help in regard to that question. We are, at present, deeply mired and spinning our wheels in a treacherous, a statement without adversity nor animal but nonetheless essential for the purposes of subsequent illumination. Formerly, when we found ourselves in an economic hole such as this one, it was believed that we could repair it by (a) voting Liberal and (b) living it with money. The evidence, however, overwhelming that this is no longer works.

Green our powers of defective reasoning, it is currently believed we can repair the damage by doing the opposite. The new faith has it that the only way out is to reduce government spending. The idea has considerably appealed to Canadians since it has never been tried. But the difficulty has become one of how to do it, there being no axis around in government circles who's had any experience in reducing government spending. The minister of finance, A. J. MacKinnon, whose competence in this field in total, has produced his own version, known as the six-percent solution. It's a nice try, but it won't work.

The Canadian problem is not constant anyway, but psychological in truth, you cannot reduce government spending unless you reduce public demand for it. Over the past 30 years successive federal governments have been whetting the public appetite for more; Canadians are raised in the belief that good government means more government. MacKinnon's six-percent solution deals only with 300,000 government employees, who are merely the symptom of big government, it does not deal with the disease, government itself.

The deep-down, aching reality is all

this is that Canadians have neither the courage nor the confidence to let go of their dependency upon government. Admittedly, after all these years, it would be a wrench. But we could begin, for example, by breaking the psychological ties that bind at their earliest stage, when the bonds between the citizen-asipient and government-as-provider are first established—under the dear Family Allowances Act of 1946.

Perhaps we need reminding that family allowances were introduced, way back then, for the purpose of "equalizing opportunities for the children of Canada." So said the act, and for such lofty purpose Canadian children 15 years of age and under were paid monthly allowances ranging from \$5 to the maximum of \$5. These sums, the act proudly proclaimed, were for the specific purpose of "assisting in the maintenance, care, training, education, and advancement" of Canadian children.

Canadians have neither the courage nor the confidence to let go of their dependency upon government

Even in these days it would seem a marvel that \$5 could be stretched that far. But few cared to think about it when cheques began arriving in the mail.

In the event the money was not "spent exclusively" on the kids, the act stipulated that the allowance would be distributed, that is, never overheard, equalizing the child for the rest of the mother. It is just, I suspect, of the Canadian doctrine of original sin that the Family Allowances Act marks the beginning of a lifelong, corrupting relationship between the citizen and the government, any way, no one ever heard of the allowance being discontinued merely because it was not spent "exclusively" on the maintenance, care, etc., of the child.

Back in the '60s a major defence of family allowances was that the Social Security were also planning on doing it. In those days Liberal intervention, for the Social Security way of life was so intense that had Sweden taken to living in trees the National Liberal Federation would have renewed its efforts to a

tree hut. But, of course, the patron saint for the cause of learning babies was Lady's fascist doctor, Bertha Matheson, who offered one-shot payments to producing Italian mothers. Soon followed the government of Victor Bruce, which introduced continuing family allowance payments. Thus was Canada's social policy in disorganised company.

Probably, Canadian kids are better off today, in a general way, because education has become more accessible and because health care has become, in our manner of speaking, free. Even so, watching our kids today sipping antacid and munching soybean burgers, it's impossible to believe that they're any better off because 38 years ago Canada's longest-reigning bachelor prime minister wanted to do something for the boys and girls of Canada. Today, not even Health Minister Marc Lalonde, who knows something about almost everything, could have the least idea where the money goes, which the federal government parcels up and ships out in the ostensible aid of Canada's children. Not so there anyone in the government or Parliament who would know, much less care. The smart thing to do, if you're a politician, is to let someone else (the What began as an imported pipe dream and domestic electronic computer filter is now permanently embedded in the cost structure of government—\$245 million a year then, \$2 billion now—its original purpose long forgotten and its effectiveness never tested).

Many will say that it's only a transfer payment anyway—from your pocket to Ottawa and back again, with only a little taken off for handling and postage. And there is something endearing about giving a cheque in the mail every month—a little money for just—from your government. Furthermore, Canadian children may grow up knowing that their government owed enough to put them on the payroll at birth. But that, as Sigmund Freud would probably say, is the hell of it.

So far this year the federal government is \$39.6 billion in arrears and counting. People ask indignantly how come we're going broke. Given our continuing facilities about government, the wonder is that it's taken so long.

Dalton Camp is a syndicated columnist, Alton Pothornham is an actor.



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